Ontario

STANDING COMMITTEE
on
PUBLIC ACCOUNTS

1982 REPORT

Second Session, Thirty-Second Parliament
31 Elizabeth II

Ontario

LEGISLATIVE ASSEMBLY

ASSEMBLÉE LÉGISLATIVE

The Honourable John M. Turner
Speaker of the Legislative Assembly

Sir:

On behalf of the Members of the Standing Committee on Public Accounts, appointed by Order of the Assembly on April 24, 1981, I have the honour to submit the attached report.

Queen's Park
December, 1982

Patrick Reid, M.P.P.,
Chairman

THE STANDING COMMITTEE ON PUBLIC ACCOUNTS

LEGISLATIVE ASSEMBLY OF ONTARIO

SECOND SESSION, THIRTY-SECOND PARLIAMENT, 1982

Patrick Reid, M.P.P.
Rainy River
Chairman

Al Kolyn, M.P.P.
Lakeshore
Vice-Chairman

Jim Bradley, M.P.P.
St. Catharines

Eric Cunningham, M.P.P.
Wentworth North

Edward Havrot, M.P.P.
Timiskaming

R. Douglas Kennedy, M.P.P.
Mississauga South

Ed Philip, M.P.P.
Etobicoke

Edward Sargent, M.P.P.
Grey-Bruce

Margaret Scrivener, M.P.P.
St. David

James A. Taylor, Q.C., M.P.P.
Prince Edward-Lennox

Bud Wildman, M.P.P.
Algoma

Paul Yakabuski, M.P.P.
Renfrew South

Graham White
Clerk of the Committee

James O'Mara
and
Margaret Vokes
Research Officers
Legislative Research Service

TABLE OF CONTENTS

INTRODUCTION. 1

MINISTRY OPERATIONS

Ministry of the Attorney General 3
Recommendation 1 4

Ministry of Consumer and Commercial Relations. 5
Committee Comment 6

Ministry of Energy 7
Recommendations 2, 3, 4, and 5 9

Ministry of Health. 12
Committee Comment 14

Ministry of Labour 15
Recommendations 6 and 7 17

Ministry of Revenue. 18
Recommendation 8 19

Provincial Secretariat for Social Development 20
Recommendations 9 and 10 21

Ministry of Transportation and Communications. 22
Committee Comment 24

CROWN AGENCY OPERATIONS

Liquor Control Board of Ontario. 25
Recommendation 11 26

Liquor Licence Board of Ontario 27
Recommendation 12 30

Ontario Junior Farmer Establishment Loan
Corporation 31

Ontario Northland Transportation Commission:
Star Transfer Limited 33

Urban Transportation Development Corporation. 35
Committee Comment 36

TABLE OF CONTENTS cont'd.

SPECIAL REVIEWS

Computers in Government. 37
Committee Comment 40
Ministry of Energy 40
Recommendation 13. 41
Ministry of Government Services 42
Recommendation 14. 43

Government Advertising 44
Recommendation 15 45

Grievance Boards 46
Recommendation 16 48

Ontario Hydro 49

Transfer Payments 51
Committee Comment. 55

Estimates Review 56

COMMITTEE PROCEDURES AND OPERATIONS

Canadian Comprehensive Auditing Foundation 58

Motion re: Hornepayne Hallmark Town Centre 61

DISSENTING OPINION

Respecting Transfer Payments and Government Advertising 62

SUMMARY OF RECOMMENDATIONS 65

APPENDIX 1:

MINUTES

Introduction

The Standing Committee on Public Accounts was appointed on April 24, 1981, in accordance with Standing Order 91, with the power to send for persons, papers and things, pursuant to Section 35 of the Legislative Assembly Act. Under the Standing Orders, the Committee is appointed for the life of the Parliament.

During 1982, the Committee held 25 meetings on the various matters outlined in this report. Most of these matters were raised in the Provincial Auditor's report, but several involved Committee concerns about items of spending detailed in The Public Accounts.

In July, the Chairman and representatives of each political party attended the Fourth Annual Meeting of the Canadian Council of Public Accounts Committees. This organization brings together Chairmen, Members, and staff from Public Accounts Committees from all Canadian Legislatures to exchange information and experiences about common goals and problems. At the meeting, the Chairman of the Ontario Public Accounts Committee, Mr. Reid, was re-elected as President of the Council, and Dr. White, clerk of the Ontario Committee, was appointed Secretary of the Council. The Council's next meeting will be held in Toronto, from July 11 to 13, 1983.

The Chairman attended the Annual Meeting of the Canadian Comprehensive Auditing Foundation, October 3-5, 1982.

The assistance and co-operation of the Provincial Auditor and his staff have, as always, contributed immeasurably to the Committee's work. The new Provincial Auditor, Mr. Douglas Archer, who assumed his

duties in January, 1982, is maintaining the high standards of service to the public and to the Committee of his predecessor, Mr. F. Norman Scott.

Similarly, the Committee has been well served by its staff. Ms. Margaret Vokes, the Committee's research officer, left the Assembly's employ in September and Dr. James O'Mara of the Legislative Library's Research Service was appointed in her place. The work of both researchers has been first-rate. The Committee would also like to commend its clerk, Dr. Graham White, for his fine service on the Committee's behalf.

As in past reports, the Committee is pleased to record its thanks to the public servants who appeared before the Committee, for their willingness to provide information, and for their assistance in helping the Committee fulfill its mandate. Responses to items raised in the Committee's 1981 report have been received from all ministries and agencies.

The Committee has examined a large number of items and for some it has recommendations or comments. In other cases, the Committee felt that it was appropriate to make no proposals. Matters requiring no recommendation or comment are included in this report for purposes of information only.

In several instances in this report, it will be noted, that the Committee went out of its way, not only to indicate that it was satisfied by ministry responses to particular matters, but also to commend ministries for taking prompt and effective action. This reflects the Committee's view that if it criticizes government officials who are not meeting high standards of administration, it should also praise public servants who demonstrate serious concern for economy and effectiveness in matters raised by the Auditor and by the Committee.

MINISTRY OPERATIONS

Ministry of the Attorney General

Officials of the Ministry of the Attorney General appeared before the Committee to discuss issues raised in Section 2.3 of the Auditor's Report regarding limousine services for Supreme Court judges. Charges totalling approximately $104,000 were incurred in transporting judges to and from their residences and the Court House. No specific authority existed for the payment of limousine services for judges discharging their normal duties.

Ministry officials explained that the principal rationale for providing this service is security for the judges. Other reasons were also cited, however. These included renovations at Osgoode Hall which eliminated judges' parking, the average age of judges (over 60), and reasons of convenience.

Ministry officials acknowledged that no specific authority for the expenditure existed. It was derived out of the direct operating expenses for the Supreme Court. When questioned as to whether the Ministry intends to obtain a specific authority, officials indicated they disagreed with the Auditor that such authority is required. They stated that obtaining specific authority could lead to problems. According to Ministry officials, a regulation or legislation specifically providing for this service could lead to the Ministry being obliged to provide it to all judges in courts throughout Ontario, which in many cases would be unnecessary and expensive in a time of restraint.

Ministry officials stated that unless the Auditor could convince the Ministry that such authority is required, no action would be taken to obtain it. Officials suggested that perhaps it was a matter requiring consultation with the Auditor.

Recommendation:

1. The Committee recommends that the Ministry of the Attorney-General should seek specific authority for the payment of limousine services for Supreme Court judges.

Ministry of Consumer and Commercial Relations

The Deputy Minister and other officials of the Ministry appeared before the Committee to discuss issues raised in Section 2.9 of the Auditor's Report. Section 2.9 concluded that there were deficiencies in the reporting system of the Lotteries Branch, with the result that established policies, procedures, and legislation were not being followed. The Auditor noted, specifically, that the deficiencies meant non-compliance with two Orders-in-Council, No. 416/77 and No. 2546/77. These Orders stipulate that monies expended for the operation of lotteries, with the exception of bingo lotteries when the prize is less than $750, should be no more than 15 percent of gross receipts and that no less than 20 percent of gross receipts should be used for charitable purposes. The Auditor discovered that 52 of 54 licenced bingo events failed to meet one or both of the conditions set out in the Orders-in-Council.

The Auditor noted that the Report for fiscal year 1977/78 had also dealt with issues related to non-compliance with Orders-in-Council by the Lotteries Branch. The Public Accounts Committee examined the matter then at its meeting of February 19, 1979, and it recommended that if current conditions were found to be unworkable, new workable rules for lotteries should be formulated.

In a written statement to the Auditor, Ministry officials said that every effort had been made to encourage bingo operators to improve their operations and maintain acceptable standards. To Members of the Committee, officials also said that there had been some improvements in the allocation of bingo lottery monies for expenses, prizes, and charitable purposes since 1978. But the officials acknowledged that there are conflicting pressures on the

Ministry. One is the desire to comply with the 1977 Orders-in-Council. The other is to deal flexibly with charitable organizations which have limited capacity to cope with extensive administrative procedures.

Officials noted that Order-in-Council No. 416/77, as amended by Order-in-Council No. 2546/77, was amended by Order-in-Council No. 2797/82 on October 28, 1982. The most recent amendment, No. 2797/82, permits the Director of the Lotteries Branch to exercise some discretion for particular lottery events by varying the percentages of monies allocated to expenses, prizes, and charitable purposes. Order-in-Council No. 2797/82, Ministry officials said, provides flexibility and allows Order-in-Council No. 416/77, as amended by Order-in-Council No. 2546/77, to be treated as a guideline.

Comment:

The Committee is satisfied with the Ministry's response to the issues identified by the Provincial Auditor. The Committee also believes that the recent changes in procedures for regulating lotteries will remove causes for concern about the use and distribution of lottery monies in the future.

Ministry of Energy

Representatives of the Ministry of Energy appeared before the Committee to respond to items raised in Section 2.11 of the Auditor's Report regarding provincial-federal program duplication and the purchase of consulting services.

Apparent provincial-federal program duplication and overlapping of efforts in the field of energy conservation have been issues of continuing concern to the Committee. Of particular interest during the 1982 Committee meeting were the similarities between the objectives and results of the Ontario Energy Savers Tune-up Program and the Federal "Operation Tune-Up" program.

Ministry officials maintained that they were well aware of the federal program and the publication which resulted from it, but claimed the federal program and publication were substantially different from those of the Ministry. It was felt the publications of the federal government as well as those of private oil companies in regard to automobiles and energy conservation were technical, detailed, nationally-oriented and directed to a more informed and committed audience than was the pamphlet produced as a result of the provincial program.

The Ministry believed its program successfully addressed regional as well as local considerations, generated more publicity than the federal program, and did more to promote awareness of energy conservation at a cost substantially less than if the Ministry had purchased the publicity in the form of paid advertising.

The Ministry explained that program duplication or overlap is partially the result of an increasingly active federal role in the field of energy conservation. However, initiatives have been and will continue to be undertaken to improve co-ordination and reduce overlap.

In regard to the purchase of consulting services, the Auditor noted instances where contracts for management consulting services had not been tendered and officials had not obtained Management Board approval or approval from the Deputy Minister for an exemption from tendering. In one case, Management Board approval was not obtained when the contract was amended twice, substantially increasing the cost.

The Ministry responded that the services were in fact for technical rather than management consulting, which exempted the Ministry from the requirement of obtaining Management Board approval. In other cases where Management Board approval was not obtained for an exemption from tendering, Ministry officials explained that three contracts were for communications services, and the approval of the Deputy Minister or Assistant Deputy Minister had been obtained. In one case, the approving documentation could not be located. In another instance regarding a contract for the study of Ministry records and systems management, a formal, written contract had not been completed. This situation was subsequently rectified.

Ministry officials explained that staffing restrictions, time constraints and the fast growth of complex programs made the rapid hiring of outside consultants necessary. The Ministry's administrative support process is being strengthened to reduce the occurrence of urgent situations, officials stated. Further, whenever approval for exemption from competitive selection is required, it was stated that steps are being taken to ensure a waiver is signed in advance by the Deputy Minister.

The Auditor also noted two cases where employees' contracts had been allowed to expire, and the same employees were subsequently hired back by the Ministry on a consulting basis at substantially higher rates of pay. It was explained that in one case the responsibility factor was significantly greater, and the fees were raised accordingly. No reason was offered for increasing the fees for the second consultant whose duties and responsibilities were unchanged. The Deputy Minister stated that in retrospect there was not sufficient justification for allowing this to occur.

Recommendations:

2. The Committee believes that substantial effort should be made by the Ministry of Energy to obtain maximum value for money expended. The Ministry should also increase its efforts to eliminate provincial-federal program and publication duplication and overlap. Initiatives undertaken by the Ministry with its federal counterpart to improve the co-ordination of programs and publications and to eliminate duplication, are strongly endorsed and recommended by the Committee. Measures aimed at fostering co-operation and consultation between the provincial and federal jurisdictions in the field of energy are also recommended.

3. The Committee is concerned that expenditures on the generation of publicity through paid advertising or other means of communication for energy-related programs, are -- and are shown to be -- cost-effective. In order to ensure that cost-effectiveness is achieved, the Committee recommends that such expenditures be justified by periodic evaluations or surveys of campaigns demonstrating their effectiveness.

4. In regard to the purchase of consulting services, the Committee believes that the requirements outlined in the Ontario Manual of Administration regarding tendering should not distinguish between management and technical consulting services. The Committee therefore recommends that the procedures to be followed when tendering for management consulting services, as outlined in the Ontario Manual of Administration also be followed in regard to tendering for technical consulting services.

The Committee believes that the principle of cost-efficiency in the administration of government should prevail at all times. Value-for-money is not achieved when employees' contracts are allowed to expire and the same employees are then rehired on a consulting basis at higher rates of pay.

5. Accordingly, the Committee recommends that employee contracts should be reviewed prior to their scheduled expiry to allow the opportunity to determine if the services continue to be required, and if so, to continue them through an arrangement that maximizes cost-efficiency. The fee structure should not change unless the duties and responsibilities of the employees also change substantially such that a pay increase is clearly warranted.

Further, except in exceptional circumstances, employees whose contracts have been allowed to expire should not be rehired as consultants by the same employer until a reasonable period of time has elapsed, and only when the circumstances clearly warrant this procedure.

Ministry of Health

The Deputy Minister and a representative from the Emergency Health Services Group appeared before the Committee to discuss matters related to Section 2.16 of the Auditor's Report. Section 2.16 dealt with three issues: vehicles and equipment, specifically ambulance conversions, the operation of the Ministry of Government Services' ambulance service stores facility in Mimico, insurance for vehicles, and replacement policy; central ambulance dispatch centres; and matters related to fee-for-service expenditures and staff travel costs.

The Auditor identified a number of concerns about the purchase of vans and their conversion to ambulances. Current procedures, as outlined in the Ontario Manual of Administration, require the Ministry of Transportation and Communications to purchase vans for conversion at the request of the Ministry of Health. The vans are ordered from dealers, after tendering, and then they are delivered to the Ministry of Government Services' garage in Mimico. For a period of time, the Ministry of Government Services was carrying out the van conversions because private contractors were not available. The Auditor expressed the concern that the purchase and conversion procedures created substantial delays in bringing ambulances into service. And the Auditor noted that one aspect of conversion, the application of ambulance identification, was costly and necessitated repairs to the vehicles before they could be sold for disposal, at the end of their use by the Ministry.

The Ministry's officials replied to these concerns, stating that procedures had been modified, as a result of the Auditor's Report. The purchase-conversion cycle had been accelerated and inexpensive methods had been developed to remove ambulance identification which resulted in no damage to the vehicles prior to sale for disposal.

The Auditor identified eight concerns related to the Mimico ambulance stores facility, which is under the control of the Ministry of Government Services. Most of the matters raised by the Auditor concerned inventory control and accountability. A particular issue was the purchase of communications equipment that was found to be, subsequent to its purchase, imcompatible with the Ministry of Health's communications network.

The Ministry's officials noted that they had addressed and implemented changes to deal with five of the Auditor's eight concerns and that the remaining three were being dealt with. Moreover, the Ministry had engaged consultants to suggest means to organize the stores facility better and that some consideration was being given to integrating the operation of the stores facility with the pharmacies stores.

On the issue of insurance, the Auditor noted some discrepancies in the Ministry's count of ambulance vehicles and suggested that an excess payment of premiums was a result. The officials of the Ministry responded that the Auditor's concerns had prompted them to initiate a different arrangement with the Ministry of Government Services for insurance and that it had resulted in a savings. The vehicle count discrepancies were clarified.

The Auditor also noted, in a last point about vehicles and equipment, that the Ministry lacked a written policy on the replacement of ambulances. The Auditor recommended such a policy and centralized fleet inventory management.

On the subject of Central Ambulance Dispatch Centres the Auditor identified two points of concern. One matter was excess payments and cost overruns for implementing the system. The second issue was

various delays in implementation, which could also involve costs. The Ministry's officials noted that experience gained to this point should help the Ministry to prevent future cost overruns. Further, the officials reported to the Committee that more precise technical specifications for equipment, which have now been put in place, should also help to curtail costs. But on the matter of delays, the officials acknowledged that arrangements for central dispatching had met with some resistance from private ambulance operators. The officials noted, too, that they would proceed with the program as expeditiously as possible.

The final matters raised by the Auditor related to fees-for-service for certain persons engaged by the Ministry and staff travel expenses. The Ministry officials noted that some of the expenses had been unavoidable because of special circumstances, but that efforts were being made to control costs.

Comment:

The Committee wishes to commend the Ministry for its willingness to adopt and implement suggestions made to it by the Provincial Auditor.

Ministry of Labour

Officials of the Ministry of Labour and the Women Crown Employees Office appeared before the Committee to discuss matters raised in Section 2.17 of the Auditor's Report, 1980-81 related to the Affirmative Action Program.

The Committee expressed concern about the Affirmative Action Program's long-term objective of 30 percent representation of women in currently under-represented modules and categories by the year 2000. As noted by the Auditor, the current representation of women and the estimated availability of qualified women for certain public service jobs, are so small as to suggest that the 30 percent goal is unrealistic.

Ministry officials explained that the prospect of substantial achievement in the areas identified by the Auditor does appear remote. However, as the Ministry's ability to project becomes more sophisticated, the targets may be accommodated to meet the realities of the vacancies and the number of qualified women candidates for available positions.

The Auditor suggested that economies could be achieved by integrating the Program's administration with the normal personnel structure of the Government. The Ministry disagreed with this suggestion. It was felt that such integration would be inappropriate, since it would eliminate the Women Crown Employees Office as an independent, advocacy unit designed specifically to promote the advancement of women in the public service.

The Ministry further argued that since the Ministry of Labour is responsible for the enforcement of anti-discrimination legislation as it relates to women's employment, the resources of both the Ministry and

the regular Government personnel structure can be shared and the efforts of both institutions are complementary and mutually reinforcing. The Ministry considered that its continued administration of the Affirmative Action Program was therefore both logical and desirable. In addition, Ministry officials did not acknowledge that savings might be achieved as a result of administrative integration, since the net result of integration would not be a reduction of jobs.

The Auditor also commented that, on occasion, some of the information contained in the Affirmative Action pamphlets may inadvertently be misleading, inaccurate or outdated. Accordingly, the Auditor suggested that Program pamphlets be reviewed to ensure statistical data are accurate. The Ministry agreed with this suggestion, and indicated that policy guidelines on publications were being developed.

Committee members also expressed interest in the planning targets established by the Ministry to increase female representation in under-represented areas. The special advantages offered women in job competitions were also of concern.

Corporate planning targets are goals, Ministry officials explained, and are not achieved by the imposition of quotas. The targets are developed by using data provided by the WCEO and the Ministry on the availability of qualified women. For positions in ministries in which women are currently under-represented, the decision may be made to open the competition on a government-wide basis or even open it to the public at large. This is to allow qualified women applicants who are not available in the Ministry in which there is a vacancy to enter the competition. All applicants, both male and female, then enter the normal competition process in which the merit principle applies. Ministry officials emphasized that planning targets rather than quotas are the preferred method of developing affirmative action in the public service.

Recommendation:

The Committee accepts and endorses the concept of increasing the representation of women in currently under-represented modules and categories in Ontario public service positions.

6. However, the Committee believes that in certain instances, the long-term objective of 30 percent representation by the year 2000 is not likely to be met under current circumstances. The Committee therefore recommends that the Ministry should improve opportunities for training women to insure that goals are met.

7. The Committee further recommends that the Ministry endeavour to improve its methods for projecting the future availability of qualified women for certain public service occupations so that the targets may be accommodated to more realistically reflect both the status of the vacancies and the number of qualified women candidates for those vacancies.

Ministry of Revenue

Deficiencies in the payment of Ontario Pensioners Property and Sales Tax Grants, as outlined in Section 2.20 of the Auditor's Report, were discussed by the Committee with officials of the Ministry of Revenue.

The Auditor's review disclosed certain weaknesses with respect to the filing system, the computerized accounting system, and the systems of recording accounts receivable and determining overpayments.

Ministry officials accepted as valid all of the Auditor's comments and recommendations. The problems noted by the Auditor were the result of the implementation within a short time period of a large-scale, complex system designed to handle a high volume of transactions. At the time of the Auditor's review, the program was in the formative stage of development. It was anticipated at the time of the program's inception that it would take up to three years to fully develop the system, and until then problems could be expected.

Ministry officials emphasized that the problems raised by the Auditor were not a reflection of any fundamental weaknesses in the operation of the program and did not compromise the performance and accountability of the program as a whole. Rather, the problems stemmed from administrative weaknesses, and corrective measures have already been taken or are in the process of being implemented.

The Committee closely questioned Ministry officials as to the recovery of overpayments made under the program. Ministry officials explained that as at December 31, 1981, overpayments amounted to about $1 million, of which one-half remained outstanding. Approximately one-half of the outstanding amount represented overpayments which were being repaid on an installment basis.

Recommendation:

The Committee appreciates that certain problems are likely to result when complex systems are implemented within a short period of time, and endorses the Ministry's efforts to correct the noted deficiencies in the payment of Ontario Pensioners Property and Sales Tax Grants. The Committee notes that there have been improvements and hopes that the delivery of grants will continue to improve.

The Committee believes that better public access to and utilization of the Ministry's regional and central offices may alleviate some of the problems encountered by the public in regard to the payment of these grants.

8. Toward this end, the Committee recommends that the Ministry ensure that an adequate number of well-informed personnel are in place to answer questions and process applications.

Provincial Secretariat for Social Development

Secretariat officials appeared before the Committee to discuss items raised in Section 2.21 of the Auditor's Report dealing with the Experience Program. The stated objective of the Experience Program for 1981-82 was to provide the maximum number of career-related employment opportunities for Ontario youth in Government ministries and associated agencies.

The Auditor recommended certain changes in regard to this objective. In addition, the Auditor identified projects which were not considered appropriate to the objective and guidelines of the Program. Certain weaknesses in the reporting of the Program's results were also noted by the Auditor.

Secretariat officials described the changes in the Program's operation which were made in response to the Auditor's comments and recommendations. The Auditor did not consider some types of employment offered under the Program to be career-related, contrary to the stated objective and goals of the Program. Secretariat officials explained that the 1982 Program objective has been amended from providing career-related employment opportunities to reducing unemployment during the summer months. Additionally, the emphasis has shifted from providing meaningful work experience for youth, to providing jobs which directly contribute to Ontario's economic development, as well as offering employment to persons who face special disadvantages in the work force.

The Committee questioned the method of measuring and monitoring the Program's effectiveness. Secretariat officials explained that Program effectiveness is gleaned through a survey at the

end of the summer employment term questioning participants as to whether they felt they had obtained meaningful, career-related experience. Objective methods of monitoring effectiveness are used only in co-operative education programs. Otherwise, written program objectives are not formulated, and follow-up is achieved by the questionnaire.

Recommendation:

9. During the course of discussion the Committee discovered that the Provincial Secretariat distributes hats, buttons, and other promotional paraphernalia to students in its program. The Committee believes that such items are unnecessary and recommends that they not be purchased or distributed. The money saved could be used for additional employment opportunities.

10. The Committee further recommends that the Provincial Secretariat for Social Development develop adequate methods of monitoring the effectiveness of the Experience Program in order to ensure that the Program benefitted both the employee and the Ministry.

Ministry of Transportation and Communications

Officials of the Ministry of Transportation and Communications appeared before the Committee on two occasions to discuss matters raised in Sections 2.23, 2.24, and 2.25 of the Auditor's 1980-81 Report.

The Auditor noted various weaknesses and difficulties with respect to internal controls in the Ministry's vehicle licencing system as well as in agents' direct deposit system. Ministry officials explained that the new motor vehicle registration system, when fully implemented, will eliminate many of the problems in the two systems reviewed by the Auditor. Recommendations made by the Auditor which will not be implemented as a result of the vehicle registration system, either have already been or will be addressed by the Ministry.

Ministry officials described the new system and its various implications for the operations of other ministries. According to the officials, the cost of the entire system over the five-year implementation period is estimated to be about $26 million. Municipalities will derive the major portion of savings as a result of this system, since it will greatly facilitate the collection of unpaid traffic and parking fines. It is anticipated that the new system will not eliminate or significantly reduce the number of agents across the province, since people are unlikely to trust the renewal of their motor vehicle registration to the mail service, and because there will always be some demand for agents' services, according to Ministry officials.

Section 2.23 of the Auditor's Report outlines the implementation gaps regarding the Ministry's Strategic Policy Development and Planning

Process. The purpose of this strategic management process is to integrate all Ministry activities and allocate resources on a program basis. According to Ministry officials, it allows the Ministry to focus its efforts and resources on issues having the greatest importance to people in terms of program delivery and policy advice. The Auditor commented that the Process has the potential to serve as a good overall management planning and control system which could provide due regard for economy, efficiency and effectiveness.

Notwithstanding the commendable objectives of this project, the Process has yet to be fully implemented although numerous studies have been undertaken since 1975. Ministry officials emphasized that when it was launched in 1976, it was recognized that a considerable amount of time would elapse before all aspects of the Process would be implemented.

Although the Provincial Auditor recommended that a formal implementation plan be developed and monitored, officials argued that in order to be effective, flexibility is required to respond adequately to changing events in the environment. Allowance for modifications and improvements is required if the planning and management process is to accomplish its objectives and suit the province's needs.

Ministry officials informed the Committee that 67 of the 144 recommendations had been fully implemented and that an additional 26 had been accepted in principle for partial implementation. Although the Ministry indicated that the remaining 51 recommendations had not been accepted for implementation, they would be considered if they were warranted as a result of changing conditions.

Comment:

The Committee is satisfied that the Ministry is taking steps to address the concerns raised by the Provincial Auditor. The Committee wishes to commend the Ministry for its efforts.

POOR

QUALITY

ORIGINAL

CROWN AGENCY OPERATIONS

Liquor Control Board of Ontario

Officials of the Liquor Control Board of Ontario (LCBO) and the Minister of Consumer and Commercial Relations appeared before the Committee to address questions stemming from the Public Accounts, 1980-81 and the Board's annual report.

Questions were raised in regard to the Board's substantial increase in security costs over a one-year period. Officials explained that the increase was due to the recent establishment of a security department to control rising losses in retail outlets as a result of pilferage. It was uncertain as to whether this pilferage is attributed mainly to employees or consumers, although with the introduction of self-service stores, losses and breakage have increased. A more sophisticated alarm system and new locks have also been installed.

The Committee also expressed concerns about the LCBO's hiring practices. Board officials explained that attempts are being made to reduce the number of part-time employees who have been working for the Board for more than two years by ensuring senior part-time and temporary personnel are hired when vacancies for permanent positions arise.

The Minister outlined Ontario's position in regard to the distribution of liquor in duty-free shops at border points. It was explained that Ontario wants to participate in this matter, and is willing to be flexible in leasing space from duty-free shop owners. Charges by federal government officials that Ontario is unco-operative in this matter are unfounded, according to the Minister, and a meeting with federal officials is planned in the near future.

Recommendation:

11. In view of the Liquor Control Board's sales in 1981 of $1,182,784,469, and its net income for the year of $443,383,433, the Committee recommends that the Provincial Auditor should undertake a management audit of selected operations of the Board.

Liquor Licence Board of Ontario

Current and former officials of the Liquor Licence Board of Ontario appeared before the Committee on three occasions in 1982. At the initial hearing, officials discussed matters raised in Section 3.6 of the Auditor's Report dealing with various administrative deficiencies. The Auditor's review was undertaken at the request of the Deputy Minister of Consumer and Commercial Relations.

At the second hearing, the former Chairman of the LLBO and the Deputy Minister of Consumer and Commercial Relations offered testimony as to events at the LLBO during the period when an official of the Ministry was serving on a secondment as the acting Director of the Inspection Branch at the Board. This official, who was the Director of the Ministry's Investigation Enforcement Branch, was seconded to act as Director of the Inspection Branch following the convictions of certain liquor licence inspectors on criminal charges. The testimonies of these two witnesses were at variance on a number of major points.

At the third hearing, the former Minister of Consumer and Commercial Relations clarified certain issues stemming from the Committee's second hearing on the LLBO.

During the initial hearing, the current Chairman of the LLBO emphasized that the administrative problems cited in the Auditor's Report occurred under his predecessor's administration. The causes of the problems and the procedures implemented under the new Chairman to avoid similar difficulties, were discussed at the meeting. The former Executive Director was directly responsible for the deficiencies outlined in the Auditor's Report.

Among other things, the Committee questioned the possible existence of a conflict of interest in regard to the former Executive Director's provision of hospitality to vendors conducting business with the Board. Board officials indicated that no conflict of interest guidelines have been developed in regard to the provision of hospitality.

During all three hearings, Committee interest focused on the circumstances surrounding the secondment of the Ministry official to the Board and the reason for his return to the Ministry when his employment was terminated by the Board.

The major points on which the testimonies of the former Chairman on the one hand, and the Deputy Minister and former Minister of Consumer and Commercial Relations on the other, were at variance, and which were of major concern to the Committee during its deliberations, are as follows:

- The former Chairman testified that the secondment of the Ministry official to the Board was imposed unilaterally by the Ministry and without prior consultation with the Board. Both the Deputy Minister and the Minister testified the Board was consulted and an amicable settlement was reached. The Minister emphasized that if at any time the Board had objected to the secondment, it could have prevented it or terminated the relationship.

- The former Chairman stated that it was his understanding that following an O.P.P. investigation of the liquor licence inspectors who were charged and subsequently convicted on criminal charges, a report would eventually be made available to him. According to this witness, the Minister at the time refused to supply it, stating "It ends here, on my desk." Both the Deputy Minister and the Minister denied the existence of such a report.

- The former Chairman indicated he was convinced the seconded official was acting in an investigative capacity while at the Board, and concluded the Ministry was attempting to incorporate the Board and transform it into a subsidiary office of the Ministry. The Deputy Minister and the Minister denied this allegation, and insisted that no reports of an investigative nature were directed to the Ministry while this official served at the Board.

  The Minister confirmed that the official was chosen on the basis of his administrative rather than investigative background. He stated that the official informed the Deputy Minister of certain events at the Board upon his return to the Ministry simply because they had come to light during his tenure there. The matter was then referred to the Provincial Auditor for investigation. The results of the Auditor's investigation are outlined in section 3.6 of his Report.

- The former Chairman complained of the Ministry's failure to communicate with the Board on a number of matters, which resulted in lengthy and costly investigations. The Deputy Minister stated there had been considerable communication, but the Chairman could not be convinced that serious administrative deficiencies existed at the Board.

- In regard to the various administrative deficiencies in the LLBO as noted in the Auditor's Report, the former Chairman simply stated he had nothing to do with those administrative matters. The day-to-day administrative functions were being carried out under the Executive-Director at the time. The former Minister of Consumer and Commercial Relations, however, stated that

the former Chairman of the LLBO could not absolve himself of responsibility for the Board's management.

- The former Chairman was highly critical of the actions of the Ministry official during the period of his secondment, and regarded him as a demoralizing influence and an impediment to Board operations. The Deputy Minister and the Minister, however, emphasized that this official was at no time conducting a covert investigation and is an able administrator who was frustrated in his attempts to institute constructive changes.

- In regard to the issue of whether or not it was common practice for liquor licence inspectors to manipulate certain information on their inspection forms to avoid claiming overtime, as well as other Board practices and procedures which may have played a role in the inspectors being charged with criminal offenses, the former Chairman claimed no knowledge of the Board's established practices.

  He also indicated agreement with the grievance board's decision to reinstate the inspectors convicted of criminal offenses. According to the former Chairman, the documents that were classified by the court as legal documents were, in the LLBO's opinion, not legal documents. The Minister, on the other hand, did not agree with this arbitration decision, and concluded that such rulings make it difficult to take disciplinary actions with employees.

Recommendation:

12. The Committee recommends that Management Board of Cabinet should inform agency heads fully of their responsibilities and hold the agency heads accountable for their actions and performance.

Ontario Junior Farmer Establishment Loan Corporation

Officials of the Ministry of Agriculture and Food and the Loan Corporation appeared before the Committee to discuss issues raised in Section 3.8 of the Auditor's Report.

The Corporation was established in 1952 for the purpose of making loans to young qualified farmers for the establishment, development and operation of their farms. However, no new mortgage loan applications have been accepted since 1969. At the end of the 1981 fiscal year, the balance of mortgages receivable by the Corporation amounted to $50.3 million.

Three major issues were raised in regard to the Corporation's administration of mortgages. In the past, the Corporation initiated sale proceedings on mortgages significantly in arrears in order to recover the outstanding mortgage balance. Currently, however, sale proceedings are no longer initiated as an ultimate collection procedure.

The Deputy Minister testified that it was a deliberate decision not to initiate sale proceedings to recover outstanding mortgage balances during the current adverse economic conditions. The proportion of mortgage arrears was stated to be small, numbering between 100 and 130 out of a total of 3,000 mortgages currently being administered, or about 4 percent of the value of outstanding mortgages. This amounts to approximately $300,000 out of a total of $50 million. According to Ministry officials this policy will be reassessed when economic conditions improve or when a new program for young farmer assistance is introduced.

The Auditor also noted that Section 19 of The Junior Farmer Establishing Act stipulates that a mortgage taken as security for a loan shall, at the option of the Corporation, immediately become due and payable when the land or any part thereof is sold or otherwise disposed of. Twenty-five assumptions of mortgages on farm property sold with existing junior farmer loans were approved during the 1980-81 fiscal year. The Auditor suggested this current policy be reconsidered, since new loan applications have not been accepted for a number of years and the assumed mortgages bear interest at an average rate of only 5 percent.

The Committee was also concerned about the fact that some mortgages had been assumed on the sale of the properties by parties who did not qualify as loan applicants under the terms of the enabling legislation. Section 12(1) of the Act stipulates that a loan applicant must not be older than 35 years of age and must have had a minimum of three years of farming experience. In some instances, these conditions were not met when the mortgage was assumed by another party. The Auditor suggested a legal opinion on this practice should be obtained.

Witnesses explained the rationale for allowing the 5 percent mortgage to be passed on to the buyer upon the sale of the property. It was argued that forcing farmers to pay off the mortgage at the transaction date effectively discounts the sale price of the property and reduces the attractiveness of the property to potential buyers. This places the seller in a disadvantageous position.

Ontario Northland Transportation Commission

The Deputy Minister of Northern Affairs and the Chairman of the Ontario Northland Transportation Commission appeared before the Committee to answer questions stemming from Section 3.11 of the Auditor's 1980-81 Report. The Auditor's review disclosed various deficiencies in the control and disposal of salvaged goods by Star Transfer Limited, a wholly-owned subsidiary of the Commission.

The officials explained that all of the Auditor's recommendations have been implemented without exception.

Most of the meeting was devoted to describing the various factors which have eroded the company's competitive position in the trucking industry in Northern Ontario to the point where it is presently up for sale by tender. The officials explained that at the time the company was initially purchased in 1960, there was some concern about the lack of trucking competition in the Northeastern Ontario corridor, and it was felt the company could fulfil some of the service needs of the region. Since then, and particularly because of trucking licence deregulation, the number of competitors has increased and the basic freight and trucking needs are being adequately met.

When questioned as to why Star Transfer Limited had not endeavoured to improve its competitive position by purchasing additional licences, officials explained that the company is a tariff-regulated one, licenced to operate in a specific market to prevent the creation of a monopoly. Since competitors now enjoy an interchange of licences and equipment and provide trucking services at reduced rates, the raison d'etre of the company no longer exists.

The Committee also expressed concern about the reasons for the successive losses the company has incurred in recent years. Officials explained that the major portion of these losses is attributed to the purchase and construction of a new Toronto terminal, which increased the company's debt load. This terminal is regarded as a valuable asset and may not be sold as part of the company's sale package.

Urban Transportation Development Corporation

The President and Chief Executive Officer of the Urban Transportation Development Corporation (UTDC) appeared before the Committee to address matters relating to Section 3.12 of the Auditor's 1980-81 Report, and in regard to the Corporation's financial statements.

It was explained that the Auditor's recommendations to improve internal and administrative controls have been complied with except in regard to revising the budget during the fiscal year to reflect changes that have occurred in the projected operations. Instead, the Corporation utilizes a variance column to compare the modifications that were necessary against the original budget. This method was seen by the Corporation as providing more useful information than would a budget revision.

Questions were also raised in regard to UTDC's Canadian Light Rail Vehicle Program (CLRV), and the status of an outstanding claim with the Ministry of Transportation and Communications for certain costs incurred under this program. It was explained that the claim was eventually settled for $13,078,000. This claim arose when the CLRV Program was initiated and manufacturers' tenders were called. In 1976 the Government of Ontario instructed the UTDC's Board of Directors to award the contract to Hawker Siddley Canada Ltd., even though this company's tender was not the lowest one. An agreement was reached among the parties involved - UTDC, TTC and MTC - that all the costs related to the award of the contract over and above what would have been awarded to Bombardier Inc., the company with the lower tender, would be borne by MTC. This included the costs of borrowing additional money during the construction period. The claim remained outstanding until the project was completed.

The second major issue raised pertained to the salaries of UTDC's top administrators. It was explained that this information will eventually be tabled in the Legislature, in conformance with the Treasurer's recent directive that such information be disclosed. However, the witness indicated his reluctance to disclose the salaries of certain employees, particularly the company's engineers, since this might jeopardize UTDC's competitive position by the potential loss of these very valuable human assets.

Committee concern was also expressed over the Corporation's recent failure to secure major projects in three U.S. cities. The company's present competitive position was discussed. It was explained that while UTDC's production costs are competitive, the major problem currently is pricing, which is inflated because of high interest rates. The Corporation's financing costs are about double those of most competitors: 18 percent interest as opposed to 8.25 to 9.5 percent which the competitors enjoy. Since the traditional practice today is to borrow to finance the customer, until the interest rate problem is ameliorated, UTDC's competitive position will be impaired. Various short and long-term solutions to this problem are currently being sought.

Comment:

The Committee will examine Crown corporations, board, and agencies in Ontario and other jurisdictions during its 1983 deliberations. A number of matters raised in this section of the report will be reviewed again at that time.

SPECIAL REVIEWS

Computers in Government

The Committee conducted an intensive review during the 1982 session of computer facilities and services in the Ontario Government. Since computer technology is widely used in government operations and is becoming increasingly complex, the Committee is concerned that proper controls of data and systems are maintained.

Officials of the Management Board of Cabinet and the Office of the Provincial Auditor provided invaluable assistance to the Committee during its investigation. In addition, officials of the Ministry of Energy and the Ministry of Government Services appeared before the Committee to discuss issues regarding their computer operations which were raised in the Auditor's Report. At the request of the Committee, the Auditor conducted reviews of the electronic data processing in the Ministry of the Environment and the Ministry of Correctional Services, and officials from these ministries also appeared to discuss the Auditor's findings. A total of four full hearings were conducted on computers in the Ontario Government during the last session.

Management Board officials provided an overview of the subject, outlining such matters as the current state of the technology, the EDP-DDP configurations in the Ontario Government, policies and procedures governing the acquisition and operation of computer systems in government, the various organizations responsible for the development, implementation and co-ordination of EDP systems, current policy initiatives and the major issues and concerns with respect to complex computer systems and distributed data processing.

An EDP specialist from the Office of the Provincial Auditor elaborated on certain points raised by Management Board officials, and described in some detail the systems development methodology used by the Ontario Government, the mechanics of an EDP audit, computer system and information controls and the major concerns of auditors with respect to the use of computer hardware and software. EDP audit reviews of the Ministry of Correctional Services and the Ministry of the Environment were also presented and discussed.

A recurring theme throughout the presentations was the shortage of skilled EDP personnel, and the difficulty in recruiting and retaining them in the public service. It was explained that human resource management in the field of EDP is one of the most salient government concerns. Not only are highly-trained computer people difficult to find, but often government pay scales and fringe benefits cannot compete with private sector organizations. A common scenario is that people with a limited degree of EDP training are recruited, their skills are upgraded by courses offered by the government or on-the-job training, and then are lost to private organizations offering substantially higher salaries. The turnover in the industry generally is very high, but in government the problem is acute.

The shortage of skilled EDP auditors in ministries is also a serious concern to Management Board officials and officials in the Office of the Provincial Auditor. It was emphasized that it is important that internal auditors with well-developed EDP skills be involved in monitoring, controlling and assisting in the development of EDP systems within ministries. It is more advantageous to have an EDP auditor involved in the early stages of systems development, since any modifications made in later stages are progressively more expensive to implement. The problem of shortages of EDP auditors was

demonstrated when the Committee learned during one of the hearings that at that time the Ministry of the Environment did not have any EDP internal auditors.

The shortage of EDP audit personnel is a high priority concern of both Management Board and the Provincial Auditor. A contributing factor to this problem is that professional organizations are not training their students adequately in EDP skills. The Civil Service Commission has established an EDP training program for auditors in an effort to rectify this problem. Management Board officials suggested that it may be easier to train EDP specialists in auditing than auditors in EDP, and this training should be encouraged. It was stated that such training may be arranged by the Civil Service Commission.

The problem of shortages of fully-trained EDP auditors exists not only within ministries, but also in the Provincial Auditor's Office. At the time of the review, there were three people in the Office of the Provincial Auditor responsible for EDP auditing in the government as a whole. It is important to note that an EDP audit by an external auditor consists of reviewing existing systems, and conducting a retrospective evaluation of their planning and control mechanisms.

Officials also stressed the issues of security and integrity of information, the increasingly complex and rapidly evolving technology, privacy of information, and the adequacy of controls of certain DDP configurations and of information transmitted from and between remote sites. These issues are currently being examined and solutions to existing and potential problems and abuses are being earnestly sought.

Management Board officials advised the Committee that a comprehensive policy governing DDP is currently being revised to reflect technological changes which have occurred since the original guidelines were developed. A policy on systems development services, encompassing the use of consultants and various rules and regulations governing them, is also being developed and is scheduled for completion in the near future.

Comment:

Some of the matters raised in this section of the report will receive further attention from the Committee during its 1983 meetings.

Ministry of Energy

At the May 13th hearing dealing with computer systems in government, officials of the Ministry of Energy discussed issues raised in Section 2.12 of the Auditor's Report. The Auditor's review disclosed certain management control deficiencies with respect to the Ministry's Word Processing Centre. Productivity tests conducted by the Auditor's staff disclosed that the Word Processing Centre was operating at a 22 to 54 percent efficiency, and that productivity had decreased by over 25 percent when compared to the manual operation previously used.

The Deputy Minister maintained that there are no definitive standards for determining the productivity of word processing equipment, and stated that, contrary to the Auditor's findings, the Ministry's

evaluation method (based on the pages of output as opposed to the Auditor's test of actual line output per man day), indicated the operations of the Centre in terms of productivity were good. Based on the criterion of pages of output, the Ministry calculated that the equipment is operating at about 70 percent efficiency. Ministry officials conceded, however, that no single test of efficiency is a fair and complete measurement of performance and productivity.

Recommendation:

13. Management Board Secretariat and the Provincial Auditor should work toward developing a mutually acceptable definition of and means for measuring productivity in word processing.

Ministry of Government Services

Issues stemming from Section 2.15 of the Auditor's Report regarding deficiencies in contingency plans of the government computer centres, were also discussed at the May 13th session.

The Auditor found that while each of the three computer centres at Queen's Park, Downsview and Leaside, had developed its own contingency plan in the event of partial or total destruction of the installations, priorities were not established among the various applications. In the event of a disruption or disaster to the computer system, this lack of established priorities would impede the efficient implementation of a contingency plan. The Auditor also noted that the centres do not make a practice of test-running sensitive applications on alternate equipment to ensure modifications to either hardware or operating systems configurations do not impede back-up capabilities.

Ministry officials indicated that the security review program initiated by MGS has not proceeded as quickly as they had hoped. This delay was attributed to the fact that individual ministries have to establish their own priorities, and these priorities change daily. From the standpoint of the computer centres, there is the problem of how to co-ordinate and prioritize the applications of a number of ministries. Which ministry applications are more important than others also changes from day-to-day.

According to officials, the Ministry has attempted to alert other ministries to their responsibilities and to encourage them to develop contingency plans. The Ministry has been reorganizing to centralize control and planning of the data centres, which will also assist in offering back-up within and amongst the centres. It

was further suggested that it is the responsibility of the individual ministries which "own" the data to conduct test runs in off sites.

Recommendation:

14. The Committee recommends that immediate action be taken by the Ministry of Government Services to develop contingency plans for computer system disruption and/or disaster.

Government Advertising

As a result of the Committee's concern about the cost and value of government advertising, the Executive Co-ordinator, Advertising and Promotion Services Group of the Ministry of Industry and Trade appeared before the Committee. The operations of the Agency of Record (A-O-R) were outlined and various issues relating to government advertising were discussed.

The Committee was - and is - concerned about the lack of a definitive calculation of government advertising expenditures. The witness explained that the Agency of Record's advertising expenditures reflect the money that has been spent on advertising by all of the ministries, boards, agencies and Crown corporations (excluding Ontario Hydro) in the domestic media, and that have been accounted for by billing. In order to arrive at a complete and accurate estimate of the total amount spent on advertising which is not routed through the Agency of Record, each ministry and agency would have to be surveyed individually. There is no centralized unit "controlling" government advertising, only the purchasing for advertising that is decided upon within the ministries.

It was explained that each ministry is responsible for its own advertising program, including creative development, media plan, research and funding. The Agency of Record then purchases the advertising space and time on behalf of the Government of Ontario.

The advertising agencies hired by ministries to execute their campaigns are paid for the materials that go into developing the ads, so the suppliers' bills are marked up by 17.65 percent on the net, which is 15 percent of the gross. Once the materials are placed in the

media, they receive a 15 percent commission from the media, and the Agency of Record retains 2.25 percent. The participating agency is sent 12.75 percent.

As the advertising agency chosen by competitive selection as the instrument to carry out the purchases, Foster Advertising Ltd. receives 2.25 percent of the 15 percent media commission, and offers ministries a 2 percent cash discount for paying their bills within ten days, according to the witness. The ministries receive the 2 percent cash discount because Foster takes it from the media, since this agency puts the money up front, pays the media and then bills the ministries.

The major benefits of the A-O-R were stated to be better co-ordination and placing of government advertisements, and savings resulting from bulk purchases.

A number of questions and concerns were raised by the Committee members about the content and timing of certain ministry advertisements. However, since responsibility for these matters rests with the ministries themselves, the witness was unable to address these matters.

Recommendation:

15. The Committee recommends that the Management Board of Cabinet specify in the printed Estimates the service component, such as costs for advertising, computers, and so forth.

Grievance Boards

Officials of the Crown Employees Grievance Settlement Board (GSB) and the Public Service Grievance Board (PSGB) appeared before the Committee to answer questions related to the Boards' operations as well as specific arbitration decisions.

Committee concern focused on the possible difficulties created for managers of various government organizations in disciplining employees as a result of certain arbitration decisions. Of particular concern was the decision of the GSB to reinstate a liquor licence inspector following his conviction on criminal charges and subsequent dismissal from the Liquor Licence Board of Ontario.

Grievance board officials emphasized the different roles of the courts and the arbitration tribunals. It was explained that the grievance boards are concerned with the employment situation and the relationship between an employer and an employee. They employ a standard of proof distinct from that of the courts, and are responsible only for determining if a particular disciplinary action is appropriate, regardless of whether or not criminal convictions have resulted. The bulk of Grievance board cases involve interpretations of collective agreements, working conditions, discipline, and classification rating.

Grievance board officials admitted that the general rule in both the private and public sectors is that offenses such as theft from an employer are just cause for discharge. However, it was argued, this is not always a clear-cut rule, and in a few, special cases a careful evaluation of factors other than simple guilt or innocence are weighed: the circumstances surrounding the action, the employment situation itself and the effects of the criminal conduct, are examples of factors that are considered in order to determine the appropriateness of a disciplinary action.

In the case of the liquor licence inspector referred to above, it was suggested that the tribunal determined that some of the practices and procedures followed by the inspector seemed to be condoned by the employer, and the LLBO therefore had a certain responsibility in the situation.

The issue of the costs involved in processing cases which are apparently trivial or frivolous - involving, for example, small sums of money - was also raised. Grievance board officials stated that although the degree of abuse is small, there have been a few instances where the grievance process has been employed to settle disputes involving insignificant sums of money. Officials argued that often the amount of money at issue is irrelevant, since the grievance procedure may establish a principle which can be extended to disputes involving substantial awards.

The Committee is concerned that in certain instances, Grievance board decisions may impair the ability of managers to manage employees effectively. The Committee believes that the precedents established by certain arbitration board decisions may have a demoralizing effect on employers and may pose a disincentive for managers to take disciplinary action even when circumstances clearly warrant such action. The Committee is concerned that managers may find it difficult to undertake their responsibilities with due regard for efficiency, effectiveness and probity. This may seriously compromise the accountability of employees to their superiors.

The Committee believes that there is, or should be, a close relationship between an employee's criminal record and his ability and right to perform his job as a public servant. Certain serious offenses

such as theft, fraud or accepting benefits, for example, are of direct relevance to an employee's responsibilities, and a conviction of such an offense undermines the trust between an employee on the one hand and his employer and the general public on the other.

In addition, the Committee is concerned about the length of time required to dispose of cases and the costs involved in the grievance process - particularly in apparently trivial or frivolous disputes.

Recommendation:

16. Because of the complexities involved in regard to the nature of an offense committed by an employee and its relationship to the performance of that employee's job, possible breach of trust and conflict of interest, and value for money expended, the Committee recommends that a general review of the grievance procedure, with a focus on the issues outlined above, be undertaken by the Management Board of Cabinet and the Civil Service Commission.

Ontario Hydro

On its own initiative the Committee examined Ontario Hydro's contracts with Denison Mines and Rio Algom/Preston Mines Limited for uranium fuel supplies. The Committee met and discussed several matters with an official from Ontario Hydro and a representative of the Ministry of Energy. The major points at issue were the quantities of uranium for which Ontario Hydro had contracted and the price per pound paid for the fuel.

Ontario Hydro's contracts with Denison Mines and Rio Algom/Preston Mines Limited were finalized during February, 1978. The Corporation agreed to purchase 200 million pounds of uranium from Denison and 70 million pounds from Rio Algom/Preston. The contracts were set on a long-term basis and are due to last into the next century. The uranium price formula was based on the cost of production or a negotiated price, whichever is higher, plus a $5 per pound profit margin for the mining companies. Although the exact price per pound for uranium paid by Ontario Hydro to Denison and to Rio Algom/Preston was not disclosed at the time when the contracts were signed, because of contract confidentiality, the estimated world market price in 1978 was between $45 and $55 Canadian per pound.

Since 1978 several events have occurred which have raised some questions about the uranium contracts. World uranium prices have fallen to between $20 and $30 Canadian per pound and Ontario Hydro's supply requirements have declined to the point that there is a possibility that the Corporation could be receiving, in the future, 2 million pounds of uranium per year more than it needs. The Committee was concerned that Ontario Hydro would be paying too much money for fuel in excess of its supply

requirements. There was also some concern expressed about interest-free capital advances paid by Ontario Hydro to the mining companies. The advances were for the purposes of developing mining facilities.

Committee dicussion with officials from Ontario Hydro and the Ministry of Energy clarified a number of points about the uranium contracts. There have been some adjustments made in the contracts to reduce the quantities of uranium Ontario Hydro will have to buy. Further adjustments are also possible, and are provided for in the contracts. These adjustments could be of such a size as to eliminate any oversupply. As alternatives, the officials indicated that Ontario Hydro could stockpile the uranium or sell it to other utility companies. Currently Ontario Hydro is not oversupplied with uranium fuel and no oversupply condition could develop, if it ever does, until the 1990s.

The officials also indicated that, although the price for uranium fuel recently has declined sharply, the long-term price trend is not clear. If demand for electricity climbs or if there are disruptions in international supplies, the price for uranium could climb as rapidly as it fell. Officials also noted that quotations usually referred to as the "world price" of uranium are not reliable guides to what utilities pay for or can expect to pay for fuel on a long-term contract basis. In general, utility companies pay more for uranium in order to have guaranteed supplies. In part, the price paid by Ontario Hydro for uranium from Denison and Rio Algom/Preston, the officials said, reflects that Corporation's concern about security of supply. Although the uranium fuel might have a higher price than the so-called world price, the supply is secure, it is under Ontario's control, and there is enough uranium in the ore body to last out the life of the contract.

Transfer Payments

Federal transfer payments to the Government of Ontario account for a substantial portion of the total budgetary revenue and constitute a major portion of the funding of social programs. In 1981, total Government of Canada payments to Ontario (exclusive of personal income tax collected by the federal government on behalf of the province) amounted to over $3 billion ($3,025,123,861), of a total budgetary revenue of $15.5 billion ($15,543,695,474).

The vast majority of transfer payments to Ontario are in the fields of health, education and social welfare. Until 1977, programs in those areas were funded by contributions from cost-sharing agreements. In 1971 these payments were consolidated and made by the federal government under the Established Programs Financing (EPF) Program in accordance with the Established Programs Financing Act, 1977.

Transfer payments are of crucial importance in determining provincial government activities in various areas. Because of their importance, certain changes in the current federal-provincial fiscal arrangements proposed by the federal government, were of major concern to the Committee. Consequently, the Deputy Minister of Treasury and Economics appeared with other Ministry officials before the Committee to outline Ontario's position and concerns in regard to the proposed changes.

The major points raised by the Deputy Treasurer were that:

- the federal government levered the provinces into costly joint funding arrangements for social programs and subsequently changed the funding mechanism to reduce the federal contribution and retrench on its financial commitments; and

- the federal government has manipulated dubious statistics in an attempt to show it is bearing a disproportionate share of program costs to justify substantial cuts in established programs financing (EPF).

The Deputy Treasurer's analysis was:

- under the pre-EPF arrangement, major social programs, such as hospital insurance, medicare and post-secondary education, were funded on a 50-50 cost-sharing basis;

- certain low-cost alternatives to hospital care were excluded from sharing, and thus spending was biased towards the most expensive but federally-assisted forms of health care, which tended to raise overall costs for the provinces - the program deliverers;

- the provinces entered into the cost-sharing agreements with a clear commitment from Ottawa that it would continue to finance a specified part of the costs, provided certain conditions were met;

- when the costs of the programs escalated rapidly, the federal government imposed ceilings on its contributions. In 1972 a cap was imposed on the growth of federal contributions to post-secondary education. Since 1978-79, this cap has been set at 10 percent. The legislation did not permit the imposition of ceilings on hospital insurance payments;

- these ceilings were a clear violation of the original agreements and were inequitable since they failed to recognize the provinces' limited flexibility in achieving economies in their delivery systems;

- In 1977 the EPF block funding arrangements replaced the previous cost-sharing arrangements for the three programs. The provinces welcomed this new arrangement, since it allowed them flexibility to determine their own spending priorities and find more efficient ways of providing services;

- it was understood that the burden of financial risk was passed to the provinces, since they became fully responsible for meeting the growing cost pressures in health and education. The flexibility granted to the provinces which allowed them to pursue economy and efficiency in program delivery, however, offset to some extent the assumption of this additional risk;

- EPF was a settlement for the termination of the revenue guarantee (a measure designed to reimburse provinces for losses in their revenue base due to the federal tax reforms of 1972). This revenue guarantee had become an important part of the provincial budgets by 1976;

- the financial settlement for the termination of the guarantee represented only 40 percent of its value at the time. Ontario's loss was estimated at over $300 million in 1977-78 and has grown considerably since then;

- despite federal government assurances that EPF was a permanent arrangement, in 1979 Ottawa attempted to restrict the growth of its contributions through a two-percentage-point reduction in the EPF escalator. Although unsuccessful in this regard, the federal government achieved savings in intergovernmental transfers, cutting back in the funding of community services. For example, two years after its birth, the federal government terminated the community services contribution program;

- shortly after the introduction of EPF, Ottawa began to accuse the provinces of underfunding health and post-secondary education. The federal government's evidence of this was a high and rising federal share of costs of these programs. This was seen by the provinces as a clear violation of both the letter and the spirit of EPF, since there was never meant to be a close linkage between federal grants and provincial expenditures;

- the federal government has exaggerated its contribution to health and post-secondary education by defining provincial spending very narrowly. Contrary to federal government claims, total federal government contributions to health and post-secondary education have been dropping recently while provincial shares peaked in 1979;

- in the Minister of Finance's November budget, it was proposed that the revenue guarantee component of EPF be eliminated. This would involve a five-year cutback, resulting in a cut of $1.9 billion to Ontario. Negotiations regarding this cut have not yet taken place;

- another proposal in the federal budget was to implement conditions on health and post-secondary education in 1983 to enforce greater federal control and visibility;

- Ontario, like the other provinces, has been working to extend the existing EPF formula, which has increased transfers at the rate of inflation (the EPF was linked to a three-year average of inflation in Canada). Collectively, the provinces advocate a one-year extension of the current system with an overall cap of 12 percent on total federal cash payments, which include the combination of equalization and EPF.

Other issues raised during the Committee's questioning of the witnesses included the possibility of the provinces opting out of the

tax collection agreements in order to mitigate some of the negative aspects perceived in regard to the federal tax measures: the equalization formula; the statistics on which the federal and provincial stands on EPF are based; the status of the health care system in Ontario; and the economic consequences for Ontario as a result of the federal government's investment and tax policies.

Comment:

Statistics used in this section of the report were valid for the time when the Committee discussed these matters during March, 1982.

Because of the scope of the issues involved in the discussion, the Committee reported to the Legislature on March 11, 1982, the following resolution:

> In consideration of the decision of the Federal Government to change the existing Established Programs Financing legislation and the direct effect this will have upon our health, social welfare and post-secondary education programs, your Committee recommends:
>
> That the Government of Ontario consider proposing as soon as possible the necessary time for a debate in the Legislature to provide opportunity for a full examination by the Members of the Provincial Parliament of the impact of the proposed changes,
>
> And that the Government of Ontario request the Government of Canada to rescind its decision to act unilaterally on this fiscal arrangement by reopening its negotiation with the Provinces, in order to restore a climate of co-operative federalism, ensure maintenance of existing levels of service in health, social welfare and post-secondary education, and to avoid undue increases in fiscal and economic disparities.

Estimates Review

The Public Accounts Committee examines the executive's expenditures, assessing them for their prudence and legality. The Committee considers whether the executive has operated with due regard for economy, efficiency, and effectiveness. It also ensures accountability in the administration and delivery of provincial programs and will make recommendations when they are warranted. But, by definition, the Public Accounts Committee can only deal with money that has already been spent. Legislative review of the executive's plans for future spending, through the Estimates process, is as essential to good provincial government as an effective Public Accounts Committee.

Unfortunately, the current practice of Estimates consideration in the Ontario Legislature is all but a total failure so far as examining projected government expenditures and evaluating the spending decisions underlying policy. The Procedural Affairs Committee makes precisely this point in its recent report, Proposals for a New Committee System, saying: "...financial accountability to Parliament is extremely limited. The Public Accounts Committee fosters accountability, but only by examining past spending to ensure that mistakes are not repeated. No one in Parliament is seriously examining the more than 17 billion dollars of annual public expenditure before it is spent."

Estimate debates occasionally serve as worthwhile forums for the discussion of policy. But for the most part, the Estimates are little more than an enormous yet pointless drain on the time of Members of the Assembly, Ministers, and ministry staff.

This Committee has a continuing concern with improving accountability in the spending of the tax-payers' dollars. We are also concerned that the comments made by the Royal Commission on Financial Management and Accountability in the Lambert Report, about the weaknesses of Estimates review in the House of Commons, are applicable to the Ontario Legislature.

> Parliament has long been regarded as the guardian of the public purse. Because of its failure to live up to that expectation, over the past several years, Parliament must accept some share of the blame, along with the Canadian electorate, for the troubles that now beset us. . .
>
> The key to Parliament's role as a body to which accountability is owed for the administration of government has always been the need for Parliament's approval of government expenditure and its power to review that expenditure. Parliament's ability to undertake this task, both at the time expenditure is proposed and after it has been made, must be reinforced and improved. . .we cannot agree that Parliament and the public are well served by a continued lack of attention to the content of the Estimates and the commitments expressed in them.

In drawing attention to the futility of the Estimates process, it is not the Committee's intention to propose expansion of its own terms of reference by giving it responsibility for Estimates review, although such a combination of functions is well established in other Commonwealth jurisdictions, such as New Zealand and the Northwest Territories. This Committee makes no recommendation on this topic, but does wish to draw attention to the discussion and recommendations on the Estimates process made by the Procedural Affairs Committee in its report, Proposals for a New Committee System, which is currently under review by the Legislature.

COMMITTEE PROCEDURES AND OPERATIONS

Canadian Comprehensive Auditing Foundation

The Committee met on two occasions to discuss the Report of the Canadian Comprehensive Auditing Foundation entitled: Improving Accountability: Canadian Public Accounts Committees and Legislative Auditors. The CCAF is a national, non-profit, co-operative, research and training-oriented organization established to promote the concept of value-for-money in expenditures of governments and publicly-funded bodies. The principal objective of the Foundation is to serve as a focal point for collecting and communicating comprehensive auditing knowledge and experience.

The CCAF Report examines Public Accounts Committees and Legislative Auditors across Canada. It provides a comparative description of their individual characteristics and operations, and identifies the various features that seem to contribute to effective operations. The Report outlines sixty-nine recommendations, based on existing practices, which are intended to assist each Canadian Legislature to construct a model system of accountability.

The Ontario Public Accounts Committee concurs with the vast majority of recommendations contained in the Report, and already operates in accordance with most of the recommended procedures. There are, however, certain recommendations which the Committee feels would not enhance its operations.

In the past, the Committee has functioned well with the participation of 12 members. This has allowed greater and more diverse input into Committee proceedings, and has enhanced the quality of the proceedings. Consequently, recommendation number 8, which states that the size of the Committee be limited to between 5 and 11 members, is not accepted.

Similarly, the Committee believes that the Committee of the whole is necessary to allow each individual member an opportunity to determine the agenda and provide input into the development of Committee reports. Therefore, recommendation number 14, which states that a steering committee be appointed to perform these functions, is not accepted.

In addition, the Committee feels that it would be inadvisable to recommend that the Provincial Auditor work toward the goal of completing his annual reports within six months after the fiscal year end, and have his opinions and comments on the financial statements incorporated in the Public Accounts. Consequently, the Committee does not concur with recommendation number 43 of the CCAF Report.

Certain Committee procedures comply in part with some of the Foundation's recommendations. However, the Committee endorses these recommendations for Public Accounts Committees and Legislative Auditors, and has taken steps to officially implement them. These recommendations are as follows:

1. Each Public Accounts Committee prepare and adopt a formal written statement that describes the committee's role and responsibilities. (No. 1.)

2. The written statement of role and responsibilities comprise a general statement of purpose and a list of issues that the committee is to examine, assess, report on to the Legislature, and follow up with the administration, including:

   - the reliability and appropriateness of information in the Public Accounts to provide a full and fair accounting of operations and financial transactions;

   - the collection of, and proper accounting for, all taxes and other revenues due;

   - the maintenance of expenditures within the limits and for the purpose authorized by the legislature;

   - the adequacy of safeguards to protect assets from loss, waste and misappropriation;

- the regard for economy in the acquisition of goods and services;
- the regard for efficiency in operations; and
- the effectiveness of programs in achieving their stated objectives. (No. 2.)

3. Chairmen of Public Accounts Committees explain to witnesses their legal position in regard to future actions that may arise from testimony. (No. 6.)

4. Chairmen play a leading role in all aspects of committee work and participate in the questioning of witnesses and in other committee deliberations. (No. 11.)

5. Committees arrange for suitable briefing material to be available to members prior to hearings, and if necessary set time aside to review it. (No. 23.)

6. Procedures for questioning witnesses be adopted that permit productive lines of questioning to be taken to their conclusion and allow all members an opportunity to participate. (No. 29.)

7. Public Accounts Committees concentrate their attention on significant issues of management and financial administration rather than on isolated, unimportant, individual transactions. (No. 30.)

8. Public Accounts Committees adopt an effective procedure for following up their recommendations with the administration. (No. 34.)

9. Auditors be required by legislation to express an opinion on the financial statements and the accounting policies underlying them. (No. 35.)

10. Auditors be given legislative authority to obtain any information or documents they require from Crown organizations or their auditors, and to conduct any further examinations that they deem necessary. (No. 42.)

11. Public Accounts Committees discuss with Auditors the most appropriate manner in using the services of the audit office to follow up committee recommendations. (No. 69.)

Motion Re: Hornepayne Hallmark Town Centre

On November 18, 1982, Mr. Bud Wildman filed notice of a motion that:

> Pursuant to Section 16 of the Audit Act, the Committee request the Provincial Auditor to conduct a full review of the Hornepayne Hallmark Town Centre project and the provincial government's involvement in it, including a review of the cost-effectiveness of the provincial capital investment in the project.

The motion was discussed on November 25, 1982 and it was withdrawn at that time, on the understanding that the Provincial Auditor would conduct a review of the project and include it in the Annual Report for the year ending March 31, 1983.

DISSENTING OPINION

Although we regret having to do so, the actions of the Conservative majority on the Committee compel us to register dissenting opinions on two matters:

1. Federal-Provincial Transfer Payments

We believe that the Committee's treatment of federal-provincial transfers has seriously compromised the Committee's non-partisan approach to its work and has reduced the Committee's credibility and reputation for fairness.

The Committee heard from the Deputy Treasurer the Ontario Government's position attacking the federal government over transfer payments. This unacceptably political statement by a civil servant was bad enough, but the Conservative majority refused to invite representatives of the Government of Canada to explain the federal position. The Deputy Treasurer's comments may well be accurate, but surely the fairness essential in an effective Public Accounts Committee would require the Committee to hear both sides of such a complex, controversial issue before reaching any conclusions and issuing a report. This was not done; instead, the Conservatives used the Committee in a blatant partisan attack on the federal Government.

We find this action highly objectionable and harmful to the work of the Committee.

2. Government Advertising

The Ontario Government now spends approximately $40 million a year on advertising, making it the country's sixth largest advertiser. Moreover, in a time when the Government preaches restraint, spending on

advertising is skyrocketing. Money spent on advertising and communications has jumped 360 per cent in the last five years. In the year leading up to the last election, government advertising went up a staggering 68 per cent.

In spite of this huge amount of public money being spent on advertising, and the potential for waste and abuse, the Conservative majority permitted the Committee to look into this matter for less than two hours and has repeatedly blocked attempts by both opposition parties to look into government advertising more thoroughly.

It is the job of the Public Accounts Committee to ensure that the taxpayers are getting value for money in the spending of public funds. The Conservative majority refuses to allow the Committee to get on with its job, even though, as the majority report states, the person who spoke to the Committee on government advertising was unable to answer many of the Committee's questions because the decisions are made in individual ministries.

In fact, the most obvious conclusion to be drawn from the presentation made to the Committee was that no one in the Ontario Government really knows what's going on in terms of advertising and that the whole area is completely out of control.

We do not object to government advertising per se; it can be used to convey important information to the public about government programmes. It is important, however, to distinguish between advertising for information and advertising for propaganda. So-called "advocacy advertising" and other propaganda-type advertising require strict guidelines to ensure that they are not partisan. No such guidelines exist. Nor could we find any evidence that there are any clearly stated objectives for government advertising or evaluation of the success of government advertising in meeting its objectives. Proper management

demands clear objectives and thorough evaluation, but the evidence points instead to an expensive, out of control, network of propaganda advertising.

The Government continues to use its majority on the Committee to prevent the Committee from doing its duty as the watchdog of public spending by carrying out a detailed scrutiny of all facets of government advertising. What is the Government trying to hide?

Jim Bradley, MPP
Eric Cunningham, MPP
Ed Philip, MPP
Ed Sargent, MPP
Bud Wildman, MPP

SUMMARY OF RECOMMENDATIONS

1. The Committee recommends that the Ministry of the Attorney-General should seek specific authority for the payment of limousine services for Supreme Court judges.

2. The Committee believes that substantial effort should be made by the Ministry of Energy to obtain maximum value for money expended. The Ministry should also increase its efforts to eliminate provincial-federal program and publication duplication and overlap. Initiatives undertaken by the Ministry with its federal counterpart to improve the co-ordination of programs and publications and to eliminate duplication, are strongly endorsed and recommended by the Committee. Measures aimed at fostering co-operation and consultation between the provincial and federal jurisdictions in the field of energy are also recommended.

3. The Committee is concerned that expenditures on the generation of publicity through paid advertising or other means of communication for energy-related programs, are -- and are shown to be -- cost-effective. In order to ensure that cost-effectiveness is achieved, the Committee recommends that such expenditures be justified by periodic evaluations or surveys of campaigns demonstrating their effectiveness.

4. In regard to the purchase of consulting services, the Committee believes that the requirements outlined in the Ontario Manual of Administration regarding tendering should not distinguish between management and technical consulting services. The Committee therefore recommends that the procedures to be followed when tendering for management consulting services, as outlined in the Ontario Manual of Administration also be followed in regard to tendering for technical consulting services.

5. The Committee recommends that employee contracts should be reviewed prior to their scheduled expiry to allow the opportunity to determine if the services continue to be required, and if so, to continue them through an arrangement that maximizes cost-efficiency. The fee structure should not change unless the duties and responsibilities of the employees also change substantially such that a pay increase is clearly warranted. Further, except in exceptional circumstances, employees whose contracts have been allowed to expire should not be rehired as consultants by the same employer until a reasonable period of time has elapsed, and only when the circumstances clearly warrant this procedure.

The Committee accepts and endorses the concept of increasing the representation of women in currently under-represented modules and categories in Ontario public service positions.

6. However, the Committee believes that in certain instances, the long-term objective of 30 percent representation by the year 2000 is not likely to be met under current circumstances. The Committee therefore recommends that the Ministry should improve opportunities for training women to insure that goals are met.

7. The Committee further recommends that the Ministry endeavour to improve its methods for projecting the future availability of qualified women for certain public service occupations so that the targets may be accommodated to more realistically reflect both the status of the vacancies and the number of qualified women candidates for those vacancies.

8. The Committee recommends that the Ministry of Revenue ensure that an adequate number of well-informed personnel are in place to answer questions and process applications for Ontario Pensioners Property and Sales Tax Grants.

9. During the course of discussion the Committee discovered that the Provincial Secretariat distributes hats, buttons, and other promotional paraphernalia to students in its program. The Committee believes that such items are unnecessary and recommends that they not be purchased or distributed. The money saved could be used for additional employment opportunities.

10. The Committee further recommends that the Provincial Secretariat for Social Development develop adequate methods of monitoring the effectiveness of the Experience Program in order to ensure that the Program benefitted both the employee and the Ministry.

11. In view of the Liquor Control Board's sales in 1981 of $1,182,784,469, and its net income for the year of $443,383,433, the Committee recommends that the Provincial Auditor should undertake a management audit of selected operations of the Board.

12. The Committee recommends that Management Board of Cabinet should inform agency heads fully of their responsibilities and hold the agency heads accountable for their actions and performance.

13. Management Board Secretariat and the Provincial Auditor should work toward developing a mutually acceptable definition of and means for measuring productivity in word processing.

14. The Committee recommends that immediate action be taken by the Ministry of Government Services to develop contingency plans for computer system disruption and/or disaster.

15. The Committee recommends that the Management Board of Cabinet specify in the printed Estimates the service component, such as costs for advertising, computers, and so forth.

16. Because of the complexities involved in regard to the nature of an offense committed by an employee and its relationship to the performance of that employee's job, possible breach of trust and conflict of interest, and value for money expended, the Committee recommends that a general review of the grievance procedure, with a focus on the issues outlined above, be undertaken by the Management Board of Cabinet and the Civil Service Commission.

APPENDIX I:

MINUTES

STANDING COMMITTEE ON PUBLIC ACCOUNTS

INTERVAL BETWEEN THE FIRST AND SECOND PARLIAMENT

TUESDAY, JANUARY 19, 1982

COMMITTEE ROOM 228

ATTENDANCE:

Chairman: Mr. Reid (Rainy River)

Members: Messrs. Bradley, DiSanto Kolyn, Philip, Pollock, Sargent, Mrs. Scrivener, Mr. Villeneuve

Substitutions: Mr. Conway for Mr. Cunningham
Mr. Eaton for Mr. Yakabuski
Mr. MacQuarrie for Mr. Gordon

In attendance: Office of the Provincial Auditor

Mr. D. Archer, Provincial Auditor

Mr. K. Laishman, Director, Reporting and Standards Branch

Research Officer: Mrs. Margaret Vokes, Legislative Research Service.

PROCEEDINGS:

The Chairman called the meeting to order at 10:08 a.m.

Mrs. Scrivener moved that Mr. Kolyn be elected Vice-Chairman of the Committee.

CARRIED.

Mr. Kolyn moved that the Committee proceed to review its agenda for the current set of hearings.

After some time, it was agreed that the disposition of Mr. Kolyn's motion would be deferred.

WITNESSES:

Ministry of Labour:

Mr. T. E. Armstrong, Deputy Minister

Mrs. Barbara Speakman, Director, Women Crown Employees Office

Mrs. Rita Burak, Executive Director, Finance and Administration

The Committee considered section 2.17 of the Provincial Auditor's Report for 1980-81.

Mr. Kolyn moved that the following matters be considered by the Committee during the week of January 19, 20 and 21:

- Visit to the Provincial Auditor's Office.
- Section 2.20 "Systems and Other Deficiencies re Payment of Ontario Pensioners Property and Sales Tax Grants" Ministry of Revenue
- Section 2.3 "Limousine Services" Ministry of the Attorney General
- Section 2.21 "Comments and Recommendations re Experience Program" Provincial Secretariat for Social Development
- Section 2.23 "Implementation Gaps re Strategic Policy Development and Planning Process" Ministry of Transportation and Communications
- Section 2.24 "Simplification of Workload and Improvement in Internal Controls Recommended" Ministry of Transportation and Communications

... 2

- Section 2.25 "Weaknesses in Agents' Direct Deposit System" Ministry of Transportation and Communications

After some time, it was agreed that the Committee would consider the following sections of the Provincial Auditor's Report for 1980-81: 2.3; 2.20; 2.21; 3.6.

The Committee adjourned for lunch from 12:31 p.m., until 2:11 p.m.

WITNESSES: Ministry of Energy

Mr. Glenn Thompson, Deputy Minister
Mr. Douglas E. Carl, Director, Energy Conservation Section
Mr. Paul E. Pinnington, Policy Co-ordinator, Fuels and Raw Materials Section
Mr. Michael Van Dusen, Director, Communications Group

The Committee then heard a presentation from the Provincial Auditor and asked questions of the Auditor.

The Committee considered sections 2.11 and 2.13 of the Provincial Auditor's Report for 1980-81.

EXHIBITS: The following exhibits were filed with the Committee:

Exhibit 1 Letter, dated January 11, 1982, to Chairman from the Provincial Auditor, detailing responses of various ministries to the Provincial Auditors Report for 1980-81 not received in time to be included in the report

Exhibit 2 Ministry of Energy "10 Proven Ways to Save Gasoline" pamphlet; "Conserving Energy Finds Strong Support in Ontario Survey" press release dated April 18, 1980

Exhibit 3 Office of the Provincial Auditor, Organization Chart, dated January 15, 1982, with additional material related to staffing.

ADJOURNMENT: At 4:19 p.m., the Committee adjourned until 10:00 a.m., Wednesday, January 20, 1982.

Graham White.
Clerk of Committee.

OFFICE OF THE CLERK OF THE LEGISLATIVE ASSEMBLY

STANDING COMMITTEE ON PUBLIC ACCOUNTS

INTERVAL BETWEEN THE FIRST AND SECOND PARLIAMENT

WEDNESDAY, JANUARY 20, 1982

COMMITTEE ROOM 228

ATTENDANCE: Chairman: Mr. Reid (Rainy River)

Members: Messrs. Bradley, DiSanto, Gordon, Kolyn, Philip, Pollock, Sargent, Mrs. Scrivener, Mr. Villeneuve

Substitutions: Mr. Conway for Mr. Cunningham
Mr. MacQuarrie for Mrs. Scrivener
Mr. Eaton for Mr. Yakabuski

In attendance: Office of the Provincial Auditor

Mr. Douglas Archer, Provincial Auditor

Mr. Ken Leishman, Director, Reporting and Standards Branch

Mrs. Margaret Vokes, Legislative Research Service

PROCEEDINGS: The Vice-Chairman called the meeting to order at 10:21 a.m.

WITNESSES: Ministry of the Attorney-General

Mr. Blenus Wright, Assistant Deputy Attorney General, Crown Law Office (Civil)

Mr. B. W. McLoughlin, Assistant Deputy Attorney General and Director of Courts Administration

The Committee adjourned for lunch from 11:20 a.m., until 2:11 p.m.

WITNESSES: Ministry of Revenue

Mr. T. R. Russell, Deputy Minister

Mr. R. J. Weiers, Assistant Deputy Minister, Tax Revenue Program

Mr. J. Moxley, Senior Administrator

The Committee considered section 2.20 of the Provincial Auditor's Report for 1980-81.

EXHIBITS: The following exhibits were filed with the Committee:

Exhibit 4 Office of the Provincial Auditor, Staff Summary, supplement to information provided to committee on January 19, 1982.

ADJOURNMENT: At 4:27 p.m., the Committee adjourned until 10:00 a.m., Thursday, January 21, 1982.

Graham White,
Clerk of the Committee.

STANDING COMMITTEE ON PUBLIC ACCOUNTS

INTERVAL BETWEEN THE FIRST AND SECOND SESSIONS, THIRTY-SECOND PARLIAMENT

THURSDAY, JANUARY 21, 1982

COMMITTEE ROOM 228

ATTENDANCE: Chairman: Mr. Reid (Rainy River)

Members: Messrs. Bradley, DiSanto, Gordon, Kolyn, Philip, Pollock, Mrs. Scrivener, Mr. Villeneuve

Substitutions: Mr. Eaton for Mr. Yakabuski
Mr. Conway for Mr. Cunningham

Other Member Present: Mr. Gillies

In Attendance: Office of the Provincial Auditor

Mr. D. Archer, Provincial Auditor

Mr. K. Leishman, Director, Reporting and Standards Branch

Mrs. Margaret Vokes, Legislative Research Service

PROCEEDINGS: The Chairman called the meeting to order at 10:13 a.m.

WITNESSES: Liquor Licence Board of Ontario

Mr. Willis Blair, Chairman

Mr. Paul Boukouris, Director of Administration

Mr. David Mitchell, Director, Investigation and Enforcement Branch, Ministry of Consumer and Commercial Relations

The Committee considered section 3.6 of the Provincial Auditor's Report for 1980-81.

Mr. Philip moved that the document entitled "Liquor Licence Board of Ontario Special Review" and the letter to the Provincial Auditor from the Deputy Minister of Consumer and Commercial Relations, dated October 19, 1981, be deemed confidential and all copies of these documents already distributed be returned to the Clerk of the Committee for inspection by Members of the Committee or the Committee Research Officer at a later time.

After some time, the disposition of Mr. Philip's motion was stood down.

Mr. Philip moved that Mr. D. A. Crosbie, Deputy Minister of Consumer and Commercial Relations be called before the Committee at a time after transcripts of today's meetings are made available to Members of the Committee.

CARRIED.

The Committee adjourned for lunch from 12:31 p.m., until 2:14 p.m.

WITNESSES: Provincial Secretariat for Social Development

Mr. N. Mealing, Executive Co-ordinator of Policy Field and Acting Deputy Provincial Secretary

Mr. W. Wolfson, Executive Secretary, Ontario Youth Secretariat

The Committee considered section 2.21 of the Provincial Auditor's Report for 1980-81.

Mr. Philip withdrew his motion respecting documents provided to the Committee by the Provincial Auditor.

It was agreed that the Committee would meet on March 3, 4 and 5, 1982, to consider the following matters:

... 2

- transfer payments and accounts receivable
- public service grievance boards and grievance procedures
- the Liquor Licence Board of Ontario and the Liquor Control Board of Ontario

EXHIBITS: The following exhibits were filed with the Committee:

Exhibit 5 Ontario Youth Secretariat, "Experience '81 Guide Book"

Exhibit 6 Ontario Youth Secretariat, "Experience '81 News", August 1, 1981

Exhibit 7 Committee Research Officer, Briefing Materials for meetings of January 19, 20 and 21, 1982, respecting:

S. 2.11: Lack of Due Regard for Economy, Ministry of Energy

S. 2.13: Non-Compliance with Procedures and other Matters re Purchase of Consulting Services, Ministry of Energy

S. 2.17: Improvements in Affirmative Action Program Delivery Recommended, Women Crown Employees Office, Ministry of Labour

S. 2.23: Implementation Gaps re Strategic Policy Development and Planning Process, Ministry of Transportation and Communications

S. 2.24: Simplification of Workload and Improvement in Internal Controls Recommended, Vehicle Licensing System, Ministry of Transportation and Communications

S. 2.25: Weaknesses in Agents' Direct Deposit System, Ministry of Transportation and Communications

S. 3.6: Administrative Deficiencies, Liquor Licence Board

Exhibit 8 Committee Research Officer, Briefing Materials for meeting of January 21, 1982, respecting S.2.21, Comments and Recommendations re Experience Program, Provincial Secretariat for Social Development

Exhibit 9 Committee Research Officer, Briefing Materials for meeting of January 20, 1982, respecting S. 2.20 Systems and Other Deficiencies re Payment of Ontario Pensioners Property and Sales Tax Grants, Ministry of Revenue

S. 2.3 Limousine Services, Ministry of the Attorney General

ADJOURNMENT: At 3:37 p.m., the Committee adjourned until 10:00 a.m., Wednesday, March 3, 1982.

Graham White,
Clerk of Committee.

STANDING COMMITTEE ON PUBLIC ACCOUNTS

INTERVAL BETWEEN THE FIRST AND SECOND SESSIONS, THIRTY-SECOND PARLIAMENT

MEETING NUMBER 4

WEDNESDAY, MARCH 3, 1982

ORDER: The Chairman called the meeting to order at 10:17 a.m.

ATTENDANCE: Chairman: Mr. Reid (Rainy River)

Members: Messrs. Bradley, Cunningham, DiSanto, Gordon, Kolyn, Philip, Mrs. Scrivener, Messrs. Villeneuve, Takabuski

Substitutions: Mr. Miller (Haldimand-Norfolk) for Mr. Sargent
Mr. Shymko for Mr. Pollock

Other Members: Mr. Conway

In attendance: Office of the Provincial Auditor:

Mr. Douglas Archer, Provincial Auditor
Mr. Ken Leishman, Director, Reporting and Standards Branch

Researcher: Ms. Margaret Vokes, Legislative Research Service

Witnesses: Mr. J. F. W. Weatherill, Chairman
Crown Employees' Grievance Settlement Board
Professor C. G. Simmons, Chairman
Public Service Grievance Board

PROCEEDINGS: The Committee questioned the witnesses, Messrs. Weatherill and Simmons.

The Committee recessed for lunch from 12:10 a.m. until 2:18 p.m.

The Committee then discussed the organization of its business.

On motion by Mr. Cunningham, the Committee met in camera to discuss certain matters.

ADJOURNMENT: At 3:22 p.m., the Committee adjourned until 10:00 a.m., Thursday, March 4, 1982.

Graham White

Graham White,
Clerk of Committee.

STANDING COMMITTEE ON PUBLIC ACCOUNTS

INTERVAL BETWEEN THE FIRST AND SECOND SESSION, THIRTY-SECOND PARLIAMENT

MEETING NUMBER 5

THURSDAY, MARCH 4, 1982

ORDER: The Chairman called the meeting to order at 10:16 a.m.

ATTENDANCE:

Chairman: Mr. Reid (Rainy River)

Members: Messrs. Bradley, Cunningham, DiSanto, Gordon, Kolyn, Philip, Pollock, Mrs. Scrivener, Messrs. Villeneuve, Yakabuski

Substitutions: Mr. Miller (Haldimand-Norfolk) for Mr. Sargent

In attendance: Office of the Provincial Auditor

Mr. Douglas Archer, Provincial Auditor

Mr. Ken Leishman, Director, Reporting and Standards Branch

Research Officer: Ms. Margaret Vokes, Legislative Research Service

Witnesses: Ministry of Treasury and Economics

Mr. Tom Campbell, Deputy Treasurer

Mr. A. W. Nethery, Director, Financial Information and Accounting Policy Branch

Mr. H. M. Ploeger, Director, Intergovernmental Finance Policy Branch

Ms. Jill Logan, Senior Advisor, Intergovernmental Finance Policy Branch

PROCEEDINGS: The Committee discussed its invitation to Mr. Eber Rice to attend the Committee meeting of March 5, 1982. It was agreed that the Committee would not withdraw its invitation to Mr. Rice.

The Committee then considered the matter of federal-provincial transfer payments.

The witnesses, Mr. Campbell, Ploeger and Nethery and Mrs. Logan made statements and answered questions.

The Committee recessed for lunch from 12:06 p.m., until 1:09 p.m.

At 1:53 p.m., the Vice-Chairman assumed the Chair.

At 2:02 p.m., the Chairman resumed the Chair.

EXHIBITS: The following exhibits were filed with the Committee:

Exhibit 10 Notes for a Statement on Federal-Provincial Fiscal Arrangements by Tom Campbell, Deputy Treasurer of Ontario, March 4, 1982

Exhibit 11 Background Materials on Federal-Provincial Fiscal Arrangements, provided by Ministry of Treasury and Economics

ADJOURNMENT: At 4:07 p.m., the Committee adjourned until 10:00 a.m., Friday, March 5, 1982.

Graham White,
Clerk of Committee.

STANDING COMMITTEE ON PUBLIC ACCOUNTS

INTERVAL BETWEEN THE FIRST AND SECOND SESSIONS, THIRTY-SECOND PARLIAMENT

MEETING NUMBER 6

FRIDAY, MARCH 5, 1982

ORDER: The Chairman called the meeting to order at 10:17 a.m.

ATTENDANCE:

Chairman: Mr. Reid (Rainy River)

Members: Messrs. Bradley, Cunningham, DiSanto, Kolyn, Philip, Pollock, Mrs. Scrivener, Messrs. Villeneuve, Yakabuski

Substitions: Mr. Miller (Haldimand-Norfolk) for Mr. Sargent

Mr. Hennessey for Mr. Gordon

In attendance: Office of the Provincial Auditor

Mr. Douglas Archer, Provincial Auditor

Mr. Ken Leishman, Director, Reporting and Standards Branch

Research Officer: Ms. Margaret Vokes, Legislative Research Service

WITNESSES: Mr. Donald Crosbie, Deputy Minister of Consumer and Commercial Relations

Mr. Eber Rice, former Chairman, Liquor Licence Board of Ontario

PROCEEDINGS: The Committee resumed consideration of section 3.6 of the Provincial Auditor's Report for 1980-81, respecting the Liquor Licence Board of Ontario.

The witness, Mr. Rice, invoked the protection of The Canada Evidence Act and The Ontario Evidence Act with respect to his evidence before the Committee, and was warned by the Chairman that the applicability of these statutes to legislative proceedings was uncertain.

The witness, Mr. Rice, then made statements and answered questions.

It was agreed that the Committee would continue with its consideration of the Liquor Licence Board and re-schedule its consideration of the Liquor Licence Board of Ontario.

Mrs. Scrivener moved:

THAT the Committee report to the House as follows:

In consideration of the decision of the Federal Government to change the existing Established Programs Financing legislation and the direct effect this will have upon our health, social welfare and post-secondary education programs,

Then, this Public Accounts Committee recommends that the Government of Ontario consider proposing as soon as possible the necessary time for a debate in the Legislature to provide opportunity for a full examination by the Members of the Provincial Parliament of the impact of the proposed changes,

And also, that the Government of Ontario request the Government of Canada to rescind its decision to act unilaterally on this fiscal arrangement by reopening its negotiation with the Provinces, in order to restore a climate of co-operative federalism, ensure maintenance of existing levels of service in health, social welfare and post-secondary education, and to avoid undue increases in fiscal and economic disparities.

Mr. Bradley moved that the motion be amended by deleting the first two paragraphs of the proposed report.

... 2

LOST.

Mr. Bradley moved that the motion be amended by deleting the first paragraph of the proposed report

LOST.

The main motion was then CARRIED.

The Committee then recessed for lunch from 12:12 p.m., until 2:15 p.m.

The witness, Mr. Crosbie, made statements and answered questions.

It was agreed that the Committee would next meet on Thursday, March 18, 1982, to consider the report of the Canadian Comprahensive Auditing Foundation, Improving Accountability, and to set its future agenda.

EXHIBITS: The following exhibits were filed with the Committee:

Exhibit 12 Correspondence between the Provincial Auditor and the Deputy Attorney General, respecting interpretation of The Audit Act, 1977.

Exhibit 13 Committee Research Officer, Briefing Materials on:

- Crown Employees Grievance Settlement Board
- Public Service Grievance Board
- Liquor Licence Board of Ontario
- Liquor Control Board of Ontario
- Transfer Payments and Accounts Receivable

Exhibit 14 Committee Research Officer: Briefing materials re Grievance Settlement Board decision re Ronald Knudson and the LLBO; including complete text of Grievance Settlement Board decision of March 10, 1981

Exhibit 15 Committee Research Officer: Memorandum on Grievance Board Statistics

ADJOURNMENT: At 4:07 p.m., the Committee adjourned until 10:00 a.m., Thursday, March 19, 1982.

Graham White,
Clerk of Committee.

SECOND SESSION, THIRTY-SECOND PARLIAMENT

STANDING COMMITTEE ON PUBLIC ACCOUNTS

MEETING NUMBER 1

THURSDAY, MARCH 18, 1982

ORDER: The Chairman called the meeting to order at 10:17 a.m.

ATTENDANCE: Chairman: Mr. Reid (Rainy River)

Members: Messrs. Bradley, Cunningham, Havrot, Philip, Sargent, Mrs. Scrivener, Messrs. Taylor (Prince Edward-Lennox), Wildman, Yakabuski

In attendance: Office of the Provincial Auditor

Mr. Douglas Archer, Provincial Auditor
Mr. Jim Otterman, Deputy Provincial Auditor

PROCEEDINGS: The Committee considered the organization of its business.

It was agreed that on April 1, 1982, the Committee would consider the report of the Canadian Comprehensive Auditing Foundation, Improving Accountability, and would also consider its future business.

It was further agreed that the matter of Liquor Licence Board of Ontario would be reconsidered by the Committee on April 8, 1982, and that the following be invited to appear:

Honourable Frank Drea, MPP
Honourable Gordon Walker, Q.C., MPP
Mr. Donald Crosbie
Mr. David Mitchell
Mr. Eber Rice

ADJOURNMENT: At 10:32 a.m., the Committee adjourned until 10:00 a.m., Thursday, April 1, 1982.

Graham White,
Clerk of Committee.

STANDING COMMITTEE ON PUBLIC ACCOUNTS

SECOND SESSION, THIRTY-SECOND PARLIAMENT

MEETING NUMBER 2

THURSDAY, APRIL 1, 1982

ORDER: The Chairman called the meeting to order at 10:17 a.m.

ATTENDANCE: Chairman: Mr. Reid (Rainy River)

Members of the Committee: Messrs. Cunningham, Havrot, Kennedy, Kolyn, Philip, Sargent, Mrs. Scrivener, Taylor (Prince Edward Lennox)

Substitution: Mr. Miller (Haldimand-Norfolk)

In attendance: Office of the Provincial Auditor

Mr. Douglas Archer, Provincial Auditor
Mr. Ken Leishman, Director, Reporting and Standards Branch
Ms. Margaret Vokes, Research Officer, Legislative Research Service

PROCEEDINGS: The Committee reconsidered its invitation to the Ministr of Industry and Trade and to Mr. Eber Rice to appear before the Committee with respect to matters relating to the Liquor Licence Board of Ontario.

It was agreed that the invitations to the Minister and to Mr. Rice should be withdrawn.

The Committee then considered the organization of its business.

It was agreed that the following matters would be considered by the Committee during April, May and June, and in the following order

1) Liquor Licence Board of Ontario

2) 2.23 Implementation Gaps re Strategic Policy Development and Planning Process, Ministry of Transportation and Communications

2.24 Simplification of workload and Improvement in Internal Controls Recommended, Vehicle Licensing System, Ministry of Transportation and Communications

2.25 Weaknesses in Agents' Direct Deposit System, Ministry of Transportation and Communications

3) 3.11 Deficiencies in Control and Disposal of Salvaged Goods, Star Transfer Limited

4) Briefing on Computers

5) Provincial Auditor's Report on Computers in the Ontario Government

6) 2.12 Management Control Deficiencies re Word Processing Centre, Ministry of Energy

2.15 Refinements in Contingency Plans Recommended re Government Computer Centres, Ministry of Government Services

7) Government Advertising

8) 3.8 Improvements in Administration of Mortgages Recommended, Ontario Junior Farmer Establishment Loan Corporation

9) Liquor Control Board of Ontario

10) 3.12 Improved Internal and Administrative Controls Recommended, Urban Transportation Development Corporation Ltd.

... 2

11) Consideration of recommendations

It was further agreed that the following matters would be considered by the Committee in the Fall:

1) 2.9 Deficiencies in Lotteries Branch Reporting System, Ministry of Consumer and Commercial Relations

2) Ontario Hydro uranium contract with Denison Mines

On motion by Mr. Cunningham, the Committee met in camera to consider the Report of the Canadian Comprehensive Auditing Foundation, Improving Accountability

EXHIBITS: The following exhibits were filed with the Committee:

Exhibit 16 Committee Research Officer, "Subject Areas Reviewd 1976-82"

ADJOURNMENT: At 12:03 p.m., the Committee adjourned until 10:00 a.m., Thursday, April 8, 1982.

Graham White,
Clerk of Committee

SECOND SESSION, THIRTY-SECOND PARLIAMENT

STANDING COMMITTEE ON PUBLIC ACCOUNTS

MEETING NUMBER 3

APRIL 8, 1982

ORDER: The Chairman called the meeting to order at 10:13 a.m.

ATTENDANCE: Chairman: Mr. Reid (Rainy River)

Members of the Committee: Messrs. Bradley, Cunningham, Havrot, Kolyn, Philip, Mrs. Scrivener, Messrs. Taylor (Prince Edward-Lennox), Wildman

Substitutions: Mr. Villeneuve for Mr.Yakabuski
Mr. Pollock for Mr. Kennedy

Appearing: Hon. Frank Drea, Minister of Community and Social Services

Witness: Mr. Donald Crosbie, Deputy Minister of Consumer and Commercial Relations

In attendance: Mr. Douglas Archer, Provincial Auditor
Mr. Ken Leishman, Director, Reporting and Standards Branch
Ms. Margaret Vokes, Research Officer, Legislative Research Services

PROCEEDINGS: The Committee considered matters relating to administation of the Liquor Licence Board of Ontario.

The Minister of Community and Social Services made a statement and answered questions from Members of the Committee.

The witness, Mr. Crosbie, answered questions from Members of the Committee.

The Committee then discussed the organization of its business.

It was agreed that the Committee would further consider the report of the Canadian Comprehensive Auditing Foundation, Improving Accountability, at its next meeting.

The following documents were filed with the Committee:

Exhibit 17 Committee Research Officer, "Summary of Witnesses' Testimonies at Meeting of March 5, 1982, Re: LLBO and Outline of Outstanding Issues"

Exhibit 18 Responses of Ministries to 1981 Committee Report

Exhibit 19 Supplementary information from Deputy Minister of Energy relating to Committee meeting of January 19, 1982

Exhibit 20 Letter, dated April 1, 1982, to Clerk from Mr. Michael J. Sullivan, President, Ontario Liquor Boards Employees' Union, with attachments.

ADJOURNMENT: At 12:07 p.m., the Committee adjourned until 10:00 a.m., Thursday, April 15, 1982.

Graham White,
Clerk of Committee.

STANDING COMMITTEE ON PUBLIC ACCOUNTS

SECOND SESSION, THIRTY-SECOND PARLIAMENT

MEETING NUMBER 4

THURSDAY, APRIL 15, 1982

ORDER: The Chairman called the meeting to order at 10:23 a.m.

ATTENDANCE: Chairman: Mr. Reid (Rainy River)

Members of the Committee: Messrs. Cunningham, Kolyn, Philip, Sargent, Mrs. Scrivener, Messrs. Taylor (Prince Edward-Lennox), Wildman

Substitions: Mr. Villeneuve for Mr. Kennedy
Mr. Pollock for Yakabuski
Mr. McLean for Mr. Havrot

In attendance: Mr. Douglas Archer, Provincial Auditor
Mr. Ken Leishman, Director, Reporting and Standards Branch, Office of the Provincial Auditor

Ms. Margaret Vokes, Research Officer, Legislative Research Service

The Committee considered its budget for 1982-83

Mr. Villeneuve moved that the proposed budget, in the amount of $28,106, be approved and the Chairman authorized to present the budget to the Board of Internal Economy.

CARRIED (copy attached)

The Committee then considered the report of the Canadian Comprahensive Auditing Foundation, Improving Accountability.

Mr. Philip moved that the Committee appoint a steering committee to plan the work and to bring forward draft reports.

LOST

It was agreed that the Committee endorse the following recommendations for Public Accounts Committees and Legislative Auditors, as set out in Improving Accountability:

1. Each Public Accounts Committee prepare and adopt a formal written statement that describes the committee's role and responsibilities.

2. The written statement of role and responsibilities comprise a general statement of purpose and a list of issues that the committee is to examine, assess, report on to the legislature, and follow up with the administration, including:

   - the reliability and appropriateness of information in the Public Accounts to provide a full and fair accounting of operations and financial transactions;
   - the collection of, and proper accounting for, all taxes and other revenues due;
   - the maintenance of expenditures within the limits and for the purpose authorized by the legislature;
   - the adequacy of safeguards to protect assets from loss, waste and misappropriation;
   - the regard for economy in the acquisition of goods and services;
   - the regard for efficiency in operations; and
   - the effectiveness of programs in achieving their stated objectives.

... 2

6. Chairmen of Public Accounts Committees explain to witnesses their legal position in regard to future actions that may arise from testimony.

11. Chairmen play a leading role in all aspects of committee work and participate in the questioning of witnesses and in other committee deliberations.

23. Committees arrange for suitable briefing material to be available to members prior to hearings, and if necessary set time aside to review it.

29. Procedures for questioning witnesses be adopted that permit productive lines of questioning to be taken to their conclusion and allow all members an opportunity to participate.

30. Public Accounts Committees concentrate their attention on significant issues of management and financial administration rather than on isolated, unimportant, individual transactions.

34. Public Accounts Committees adopt an effective procedure for following up their recommendations with the administration.

35. Auditors be required by legislation to express an opinion on the financial statements and the accounting policies underlying them.

42. Auditors be given legislative authority to obtain any information or documents they require from Crown organizations or their auditors, and to conduct any further examinations that they deem necessary.

69. Public Accounts Committees discuss with Auditors the most appropriate manner of using the services of the audit office to follow up committee recommendations.

It was agreed that the Chairman would write the House Leaders to request that the Committee's 1981 report be placed on the Order Paper for debate.

ADJOURNMENT: At 11:46 a.m., the Committee adjourned until 10:00 a.m., Thursday, April 22, 1982.

Graham White

Graham White,
Clerk of Committee.

SECOND SESSION, THIRTY-SECOND PARLIAMENT

STANDING COMMITTEE ON PUBLIC ACCOUNTS

MEETING NUMBER 5

THURSDAY, APRIL 22, 1982

ORDER: The Chairman called the meeting to order at 10:15 a.m.

ATTENDANCE: Chairman: Mr. Reid (Rainy River)

Members of the Committee: Messrs. Bradley, Havrot, Kennedy, Kolyn, Philip, Sargent, Taylor (Prince Edward-Lennox), Wildman, Yakabuski

Substitutes: Mr. Villeneuve for Mrs. Scrivener

Other Members: Mr. Pollock

Witnesses: Ministry of Transportation and Communications

Mr. Harold Gilbert, Deputy Minister

Mr. J. L. Forster, Executive Director, Regulation Operating Division

Mr. A. C. Lennox, Financial Controller

Mr. H. F. Kivi, Director, Licensing and Control Branch

In attendance: Mr. Douglas Archer, Provincial Auditor
Mr. Ken Leishman, Director, Reporting and Standards Branch, Office of the Provincial Auditor

Mrs. Margaret Vokes, Research Officer, Legislative Research Service

PROCEEDINGS: The Committee considered sections 2.24 and 2.25 of the Provincial Auditor's Report for 1980-81, respecting the Ministry of Transportation and Communications.

The witnesses made a presentation and answered questions from Members of the Committee.

EXHIBITS: The following exhibits were filed with the Committee:

Exhibit 21 Statement, dated January 20, 1982, by Harold F. Gilbert, Deputy Minister of Transportation and Communications

Exhibit 22 Committee Research Officer, Briefing Materials on sections 2.24 and 2.25 of the Provincial Auditor's Report for 1980-81

Exhibit 23 Committee Research Officer, Memorandum on section 2.24 of Provincial Auditor's Report for 1980-81

ADJOURNMENT: At 11:48 a.m., the Committee adjourned until 10:00 a.m., Thursday, April 29, 1982.

Graham White,
Clerk of Committee.

Standing Committee on Public Accounts

Second Session, Thirty-Second Parliament

Meeting Number 6

Thursday, April 29, 1982

ORDER: The Chairman called the meeting to order at 10:15 a.m.

ATTENDANCE: Chairman: Mr. Reid (Rainy River)

Members of the Committee: Messrs. Bradley, Cunningham, Havrot, Kennedy, Kolyn, Philip, Mrs. Scrivener, Messrs. Taylor (Prince Edward-Lennox), Wildman

Substitution: Mr. Villeneuve for Mr. Yakabuski

Witnesses: Ministry of Transportation and Communications

Mr. Harold Gilbert, Deputy Minister
Mr. Bill Rathbun, Executive Director, Strategic Planning Secretariat
Mr. A. D. Lennox, Financial Controller

Ministry of Northern Affairs

Mr. David Hobbs, Deputy Minister
Mr. Jack Mathews, Chairman, Ontario Northland Transportation Commission
Mr. Wilf Spooner, Vice-Chairman, Ontario Northland Transportation Commission

In attendance: Office of the Provincial Auditor

Mr. Douglas Archer, Provincial Auditor
Mr. Ken Leishman, Director, Reporting and Standards Branch
Mr. M. R. Teixeira, Audit Manager

Ms. Margaret Vokes, Research Officer, Legislative Research

PROCEEDINGS: The Committee considered section 2.23 of the Provincial Auditor's Report for 1980-81, "Implementation Gaps re Strategic Policy Development and Planning Process, Ministry of Transportation and Communications".

The witnesses, Messrs. Gilbert, Rathbun and Lennox, made a presentation and answered questions from Members of the Committee.

The Committee then considered section 2.11 of the Provincial Auditor's Report for 1980-81 "Deficiencies in Control and Disposal of Salvaged Goods, Star Transfer Limited"

The witnesses, Messrs. Hobbs, Mathews and Spooner, made a presentation and answered questions from Members of the Committee.

EXHIBIT: The following exhibit was filed with the Committee:

Exhibit 24 Committee Research Officer, Briefing materials for sections 2.23 and 3.11 of The Provincial Auditor's Report for 1980-81.

ADJOURNMENT: At 12:14 p.m., the Committee adjourned until 10:00 a.m. Thursday, May 6, 1982.

Graham White,
Clerk of Committee.

Standing Committee on Public Accounts

Second Session, Thirty-Second Parliament

Meeting Number 7

Thursday, May 6, 1982

ORDER: The Chairman called the meeting to order at 10:13 a.m.

ATTENDANCE: Chairman: Mr. Reid (Rainy River)

Members of the Committee: Messrs. Bradley, Cunningham, Havrot, Kennedy, Kolyn, Philip, Sargent, Mrs. Scrivener, Messrs. Taylor (Prince Edward-Lennox), Wildman, Yakabuski

Witnesses: Management Board of Cabinet

R. D. Carman, Secretary of the Management Board, Management Board Secretariat

D. McGeown, Director, Management Technology Branch, Management Policy Division

M. J. Nahon, Senior Officer, Management Technology Branch, Management Policy Division

In Attendance: Office of the Provincial Auditor

D. F. Archer, Provincial Auditor

K. W. Laishman, Director, Reporting and Standards Branch

Ms. Margaret Vokes, Research Officer, Legislative Research

PROCEEDINGS: The Committee met to consider an Audio Visual presentation on Information Technology in respect of computers by the witnesses who later answered questions.

EXHIBIT: The following exhibit was filed with the Committee:

Exhibit 254 Memorandum from R. J. Butler, Management Board of Cabinet to all Deputy Ministers Re: E.D.P. 1981/82 Estimates: Aggregate Expenditures and Analysis

ADJOURNMENT: At 12:28 p.m., the Committee adjourned until 10:00 a.m. Thursday, May 13, 1982.

Graham White
Clerk of the Committee

Andrew Richardson
Clerk pro tem.

SECOND SESSION, THIRTY-SECOND PARLIAMENT

STANDING COMMITTEE ON PUBLIC ACCOUNTS

MEETING NUMBER 8

THURSDAY, MAY 13, 1982

ORDER: The Chairman called the meeting to order at 10:14 a.m.

ATTENDANCE: Chairman: Mr. Reid (Rainy River)

Members of the Committee: Messrs. Bradley, Cunningham, Kennedy, Kolyn, Havrot, Sargent, Mrs. Scrivener, Messrs. Taylor (Prince Edward-Lennox), Wildman, Yakabuski

Members, not of the Committee: Messrs. Cousens, Lupusella

In attendance: Office of the Provincial Auditor

Mr. Douglas Archer, Provincial Auditor
Mr. Ken Leishman, Director, Reporting and Standards Branch

Witnesses: Ministry of Energy

Mr. G. R. Thompson, Deputy Minister
Mr. I. H. Jennings, Executive Co-ordinator, Management Systems and Services
Mr. P. F. Cunningham, Administrative Officer

Ministry of Government Services

Mr. Alan Gordon, Deputy Minister
Mr. Greg O'Neill, Executive Director, Computer and Telecommunications Division
Mr. Joe Silver, Executive Director, Finance and Administration Division

PROCEEDINGS: The Committee considered section 2.12 of the Provincial Auditor's Report for 1980-81, relating to the word processing centre in the Ministry of Energy.

The witnesses, Messrs. Thompson, Jennings and Cunningham, made a presentation and answered questions from Members of the Committee.

The Committee then considered section 2.15 of the Provincial Auditor's Report for 1980-81, relating to computer contingency plans in the Ministry of Government Services.

The witnesses, Messrs. Gordon, O'Neill and Silver, made a presentation and answered questions from Members of the Committee.

EXHIBITS: The following exhibits were filed with the Committee:

Exhibit 25	Committee Research Officer, Briefing Material relating to sections 2.12 and 2.15 of the Provincial Auditor's Report
Exhibit 26	Opening statement and supporting material from the Deputy Minister of Energy
Exhibit 27	Letter, dated May 6, 1982, to Chairman from Deputy Minister of Government Services, containing opening statement
Exhibit 28	Letter, dated May 13, 1982, to Chairman from Provincial Auditor concerning response of Urban Transportation Development Corporation to section 3.12 of the Provincial Auditor's Report for 1980-81.

ADJOURNMENT: At 11:56 a.m., the Committee adjourned until 10:00 a.m., Thursday, May 20, 1982.

Graham White,
Clerk of Committee.

SECOND SESSION, THIRTY-SECOND SESSION

STANDING COMMITTEE ON PUBLIC ACCOUNTS

MEETING NUMBER 9

THURSDAY, MAY 20, 1982

ORDER: The Chairman called the meeting to order at 10:14 a.m.

ATTENDANCE: Chairman: Mr. Reid (Rainy River)

Members of the Committee: Messrs. Bradley, Cunningham, Kolyn, Philip
Mrs. Scrivener, Messrs. Taylor (Prince Edward-Lennox), Wildman

Substitutions: Mr. Cousens for Mr. Yakabuski
Mr. Villeneuve for Mr. Havrot

Other Members Present: Messrs. McKessock, Miller (Haldimand-Norfolk)

Witness: Mr. David McGeown, Director, Management Technology Branch, Management Board of Cabinet

In attendance: Office of the Provincial Auditor

Mr. Douglas Archer, Provincial Auditor

Mr. Ken Leishman, Director, Reporting and Standards Branch

Mr. G. S. Machen, Director, Specialized Audit and Resources Branch

Ms. Margaret Vokes, Legislative Research Service

PROCEEDINGS: The Provincial Auditor and his staff presented reports to the Committee on computers in the Ministry of the Environment and the Ministry of Correctional Services.

The witness, Mr. McGeown, answered questions from Members of the Committee.

EXHIBITS: The following exhibits were filed with the Committee:

Exhibit 29 — Letter, dated May 14, 1982, from Provincial Auditor to Chairman and Members of the Committee.

Exhibit 30 — Office of the Provincial Auditor, Report concerning Electronic Data Processing in the Ministry of the Environment, dated May 14, 1982

Exhibit 31 — Office of the Provincial Auditor, Report concerning Electronic Data Processing in the Ministry of Correctional Services, dated May 14, 1982

Exhibit 32 — Committee Research Officer, Briefing materials on EDP in the Ministry of the Environment and the Ministry of Correctional Services

Exhibit 33 — Don Cousens, MPP, memorandum on questions and concerns in Ontario Government EDP

ADJOURNMENT: At 11:36 a.m., the Committee adjourned until 10:00 a.m., Thursday, May 20, 1982.

Graham White

Graham White,
Clerk of Committee.

Standing Committee on Public Accounts

Second Session, Thirty-Second Parliament

Meeting Number 10

Thursday, May 27, 1982

ORDER: The Chairman called the meeting to order at 10:16 a.m.

ATTENDANCE: Chairman: Mr. Reid (Rainy River)

Members of the Committee: Messrs. Bradley, Cunningham, Havrot, Kennedy, Kolyn, Mrs. Scrivener, Taylor (Prince Edward-Lennox), Wildman, Yakabuski

Substitutions: Mr. Miller (Haldimand-Norfolk) for Mr. Sargent

Member, not of the Committee, present: Mr. McGuigan

Witnesses: Ministry of Agriculture & Food

D. A. Allan, Deputy Minister

M. Chang, Director, Audit Services Branch

H. Ediger, General Manager, Crop Insurance Commission of Ontario

R. Sewell, Executive Director, Finance and Administration Division

Ministry of Industry and Trade

G. C. McDonald, Executive Co-ordinator, Advertising and Promotion Services Group

Ministry of Tourism and Recreation

R. E. Canney, Communications Consultant

Ms. Margaret Vokes, Research Officer, Legislative Research

PROCEEDINGS: The Committee considered section 3.8 of the Provincial Auditors' Report 1980-81, "Improvements in Administration of Mortgages Recommended", Ontario Junior Farmer Establishment Loan Corporation.

The witnesses Messrs. Allan, Chang, Ediger and Sewell made a presentation and answered questions from Members of the Committee.

The Committee then considered Government Advertising.

Messrs. McDonald and Canney made a presentation and answered questions by Members of the Committee.

After some time

Mr. Cunningham moved

That the Public Accounts Committee indicate its concern about massive increases in Ontario Government and Ontario Agency advertising.

and further that we request

the establishment of a Select Committee of the Legislature to review Ontario Government advertising; the possible abuse of public funds; the potential political use of government advertising and the need to establish open, agency competition process.

The Chairman having ruled that because of Committee procedures there has to be a weeks notice to vote on any substantive motion and the ruling having been challenged, at the request of Mr. Kolyn the Committee recessed for a recorded Vote at 12:27 p.m. in accordance with Standing Order 89 (c).

The Committee having resumed after the recess the Chairman's ruling was upheld on the following recorded Vote:

AYES:

Messrs.

Havrot
Kolyn
Scrivener (Mrs.)
Taylor (Prince Edward-Lennox)
Yakabuski
-5

NAYS:

Messrs.

Bradley
Cunningham
Miller (Haldimand-Norfolk)
Wildman
-4

EXHIBITS: The following exhibits were filed with the Committee:

Exhibit 34 Economic Programmes for Agriculture

Exhibit 35 Briefing Materials for Meeting of May 27, 1982 by Margaret Vokes

Exhibit 36 Background Paper on Government Advertising by Margaret Vokes

Exhibit 37 Tourism Marketing Plan 1982/83

ADJOURNMENT: At 12:53 p.m., the Committee adjourned until 10:00 a.m. Thursday, June 3, 1982.

Graham White
Clerk of the Committee

Andrew Richardson
Clerk pro tem.

SECOND SESSION, THIRTY-SECOND PARLIAMENT

STANDING COMMITTEE ON PUBLIC ACCOUNTS

MEETING NUMBER 11

THURSDAY, JUNE 3, 1982

ORDER: The Chairman called the meeting to order at 10:17 a.m.

ATTENDANCE: Chairman: Mr. Reid (Rainy River)

Members: Messrs. Bradley, Cunningham, Havrot, Kennedy, Kolyn, Philip, Sargent, Mrs. Scrivener, Messrs. Taylor (Prince Edward-Lennox), Yakabuski

Substitution: Mr. MacDonald for Mr. Wildman

Other Member: Mr. Kerrio

Appearing: Hon. Robert Elgie, M.D., MPP, Minister of Consumer and Commercial Relations

In Attendance: Office of the Provincial Auditor:

Mr. Douglas Archer, Provincial Auditor

Mr. Ken Leishman, Director, Reporting and Standards Branch

Ms. Margaret Vokes, Research Officer, Legislative Research Service.

WITNESSES: Liquor Control Board of Ontario:

Mr. William Bosworth, Chairman
Mr. Jack Harris, Vice-Chairman
Mr. F. A. MacInnis, General Manager
Mr. Don Jackman, Comptroller

PROCEEDINGS: Mr. Cunningham moved

That the Committee report to the House as follows:

Your Committee is concerned about massive increases in Ontario Government advertising and accordingly recommends

That a Select Committee of this Assembly be established to review Ontario Government advertising: the possible abuse of public funds in advertising; the potential political use of government advertising; and the need to establish an open, agency competition process.

Mr. Philip moved that the motion be amended by adding to it the following words:

And that the Select Committee have authority to sit during recesses and the interval between Sessions and have full power to employ such staff as it deems necessary and to hold meetings and hearings in such places as the Committee may deem advisable, subject to budget approval from the Board of Internal Economy, and to call for persons, papers and things and to examine witnesses under oath, and the Assembly doth command and compel the attendance before the said Committee of such persons and the production of such papers and such things as the Committee may deem necessary for any of its proceedings and deliberations for which the Honourable the Speaker may issue his warrant.

The Chairman put the question on the amendment, and it was LOST.

The Chairman then put the question on the main motion, and it was LOST.

... 2

Mr. Philip gave notice of the following motion, to be made at the Committee's next meeting:

> That the Committee sit for three weeks during the summer recess to review advertising by the Government of Ontario and that the Provincial Auditor and the Committee Research Office be requested to prepare such documents as may be deemed necessary for an adequate examination of Ontario Government Advertising.

The Committee then considered the operations of the Liquor Control Board of Ontario.

The Minister and the witnesses answered questions from Members of the Committee.

EXHIBITS: The following exhibits were filed with the Committee:

Exhibit 38 — Committee Research Officer, Background Material on Liquor Control Board of Ontario, dated March, 1982.

Exhibit 39 — Submission from Liquor Control Board of Ontario:

1) 55th Annual Report, 1980-81
2) Organization Chart, dated January 1, 1982
3) Mark-up rates on various types of liquor
4) Comparative schedule of Provincial Liquor Boards for the year ended March 31, 1981.

ADJOURNMENT: At 12:11 p.m., the Committee adjourned until 10:00 a.m., Thursday, June 10, 1982.

Graham White

Graham White,
Clerk of Committee.

SECOND SESSION, THIRTY-SECOND PARLIAMENT

STANDING COMMITTEE ON PUBLIC ACCOUNTS

MEETING NUMBER 12

THURSDAY, JUNE 10, 1982

ORDER: The Chairman called the meeting to order at 10:08 a.m.

ATTENDANCE: Members of the Committee: Messrs. Cunningham, Havrot, Kennedy, Kolyn, Philip, Sargent, Mrs. Scrivener, Messrs. Taylor (Prince Edward-Lennox), Wildman, Yakabuski

In attendance: Mr. Douglas Archer, Provincial Auditor
Mr. Ken Leishman, Director, Reporting and Standards Branch, Office of the Provincial Auditor

Ms. Margaret Vokes, Research Officer, Legislative Research Service

WITNESSES: Urban Transportation Development Corporation

Mr. Kirk Foley, President
Mr. Bob Ross, Vice-President, Finance
Mr. Ross McFadden, Senior Partner, Coopers and Lybrand

PROCEEDINGS: The Committee considered section 3-12 of the Provincial Auditor's Report for 1980-81, "Improved Internal and Administrative Controls Recommended, Urban Transportation Development Corporation"

The witnesses, Messrs. Foley, Ross and McFadden, made statements and answered questions from Members of the Committee.

Mr. Sargent moved that the Committee request the Urban Transportation Development Corporation to provide a list of the salaries of the Corporation's top executives.

LOST.

At 11:37 a.m., Mr.Kolyn assumed the Chair.

At 11:39 a.m., the Chairman resumed the Chair.

Mr. Philip moved

> That the Committee sit for three weeks during the summer recess to review advertising by the Government of Ontario and that the Provincial Auditor and the Committee Research Officer be requested to prepare such documents as may be deemed necessary for an adequate examination of Ontario Government advertising.

LOST.

It was agreed that the Committee would consider its Fall agenda at its next meeting.

EXHIBIT: The following exhibit was filed with the Committee:

Exhibit 40 Committee Research Officer, "Briefing material on Urban Transportation Development Corporation"

ADJOURNMENT: At 12:14 p.m., the Committee adjourned until 10:00 a.m., Thursday, June 17, 1982.

Graham White,
Clerk of Committee.

STANDING COMMITTEE ON PUBLIC ACCOUNTS

SECOND SESSION, THIRTY-SECOND PARLIAMENT

MEETING NUMBER 13

THURSDAY, JUNE 17, 1982

ORDER: The Chairman, Mr. Reid, called the meeting to order at 10:15 a.m.

ATTENDANCE: Members of the Committee: Messrs. Cunningham, Havrot, Kennedy, Kolyn, Philip, Sargent, Mrs. Scrivener, Mr. Taylor (Prince Edward-Lennox)

Substitution: Mr. Villeneuve for Mr. Yakabuski

Witnesses: Ministry of the Environment

Mr. G. Raymond, Deputy Minister
Mr. G. E. Higham, Executive Director, Finance & Administrative Division
Mr. G. Scanlon, Systems Development Section
Dr. G. Van Volkenburgh, Director, Air Resources Branch
Mr. C.J. Macfarlane, Director, Waste Management Branch

Management Board of Cabinet

Mr. Robert Carman, Secretary
Mr. David McGeown, Director, Management Technology Branch

In attendance: Office of the Provincial Auditor

Mr. Douglas Archer, Provincial Auditor
Mr. Ken Leishman, Director, Reporting and Standards Branch
Mr. G. S. Machen, Director, Specialized Audit and Resources Branch

Ms. Margaret Vokes, Research Officer, Legislative Research Service

PROCEEDINGS: The Committee resumed its review of computers in the Government of Ontario.

The witnesses, Messrs. Raymond, Higham, Scanlon, Van Volkenburgh and Macfarlane, made statements and answered questions from Members of the Committee.

The witnesses, Messrs. Carman and McGeown, made statements and answered questions from Members of the Committee.

EXHIBITS: The following exhibits were filed with the Committee:

Exhibit 41 Office of the Provincial Auditor, letter, dated June 1, 1982, to Chairman with attached responses to Committee questions on computer policy raised in Committee's May 20, 1982 meeting.

Exhibit 42 Letter, dated June 11, 1982, to Clerk from F. A. MacInnis, General Manager, Liquor Control Board of Ontario, containing Board responses to questions raised at Committee's June 3, 1982 meeting.

Exhibit 43 Ministry of the Environment "Comments on Findings and Recommendations in the Report to the Standing Committee on Public Accounts concerning the Electronic Data Processing in the Ministry of the Environment", June 8, 1982, with covering letter from the Deputy Minister of the Environment.

ADJOURNMENT: At 11:55 a.m., the Committee adjourned until 10:00 a.m., Thursday, June 24, 1982.

Graham White,
Clerk of Committee.

STANDING COMMITTEE ON PUBLIC ACCOUNTS

SECOND SESSION, THIRTY-SECOND PARLIAMENT

MEETING NUMBER 14

THURSDAY, JUNE 24, 1982

ORDER: The Chairman, Mr. Reid, called the meeting to order at 10:15 a.m.

ATTENDANCE: Members: Messrs. Cunningham, Havrot, Kennedy, Kolyn, Reid (Rainy River), Mrs. Scrivener, Messrs. Wildman, Yakabuski

In attendance: Office of the Provincial Auditor:

Mr. Douglas Archer, Provincial Auditor
Mr. Ken Leishman, Director, Reporting and Standards Branch
Ms. Margaret Vokes, Research Officer, Legislative Research Service

PROCEEDINGS: The Committee considered its agenda for future meetings.

Mr. Wildman moved that the Chairman be authorized to write to the House Leaders requesting authorization of the House to sit for three days in late September or early October and to travel to Ottawa to observe the Public Accounts Committee of the House of Commons.

CARRIED.

It was agreed that the following matters would be considered by the Committee durings its summer meetings:

- review of spring meetings and consideration of possible recommendations for the final report
- accountability of Crown corporations
- section 2.9 of the Provincial Auditor's Report for 1980-81: "Deficiencies in Lotteries Branch Reporting System, Ministry of Consumer and Commercial Relations
- section 2.16 of the Provincial Auditor's Report for 1980-81: "Operational Improvements Recommended re Ambulance Service Brand, Ministry of Health"
- discussion of fall agenda

ADJOURNMENT: At 10:28 a.m., the Committee adjourned to the call of the Chair.

Graham White,
Clerk of Committee.

SECOND SESSION, THIRTY-SECOND PARLIAMENT

STANDING COMMITTEE ON PUBLIC ACCOUNTS

MEETING NUMBER 15

THURSDAY, OCTOBER 28, 1982

ORDER: The Chairman, Mr. Reid, called the meeting to order at 10:13 a.m.

ATTENDANCE:

Members of the Committee: Messrs. Cunningham, Havrot, Kolyn, Philip, Reid (Rainy River), Sargent, Mrs. Scrivener, Messrs. Wildman, Yakabuski

Substitutions: Mr. Treleaven for Mr. Taylor
Mr. Villeneuve for Mr. Kennedy

In attendance: Office of the Provincial Auditor

Mr. Douglas Archer, Provincial Auditor

Mr. Ken Leishman, Director, Reporting and Standards Branch

Dr. James O'Mara, Research Officer, Legislative Research Service

Witnesses: Ministry of Health

Mr. Graham Scott, Deputy Minister

Dr. J. Psutka, Executive Co-ordinator of Emergency Health Services Group

Ministry of Consumer and Commercial Relations

Mr. Donald Crosbie, Deputy Minister

Mr. Bob Simpson, Executive Director, Business Practices Division

Mr. Don Speight, Director, Lotteries Branch

PROCEEDINGS:

The Committee considered section 2.16 of the Provincial Auditor's Report for 1980-81, "Operational Improvements Recommended re Ambulance Services Branch, Ministry of Health".

The witnesses, Messrs. Scott and Psutka, made statements and answered questions from Members of the Committee.

The Committee then considered section 2.9 of the Provincial Auditor's Report for 1980-81, "Deficiencies in Lotteries Branch Reporting System, Minister of Consumer and Commercial Relations".

The witnesses, Messrs. Crosbie, Simpson and Speight, made statements and answered questions from Members of the Committee.

The Committee then considered the organization of its business.

Mr. Philip moved that the Committee re-order its priorities and forthwith conduct an enquiry into the advertising programme of the Government and report its findings to the House before Christmas in view of the Treasurer's argument that inflation and unemployment must be fought by reducing Government expenditures and in view of the over 40 million dollars spent annually by the Government on advertising.

In accordance with the Committee's procedures, debate on the motion was adjourned until the next meeting of the Committee.

Mr. Wildman moved that pursuant to section 16 of The Audit Act, the Committee request the Provincial Auditor to conduct a full review of the Hornepayne Hallmark Town Centre project and the provincial government's involvement in it, including a review of the cost-effectiveness of the provincial capital investment in the project.

In accordance with the Committee's procedures, debate on the motion was adjourned until the next meeting of the Committee.

... Cont'd

PROCEEDINGS: (Cont'd)

It was agreed that the Committee would deal with the matter of the Ontario Hydro-Denison Mines Uranium contract at its next meeting.

EXHIBIT:

The following document was filed with the Committee as an exhibit:

Exhibit 44 Committee Research Officer, briefing material on section 2.9 and 2.16 of Provincial Auditor's Report for 1980-81.

ADJOURNMENT:

At 12:04 p.m., the Committee adjourned until 10:00 a.m., Thursday, November 4, 1982.

Graham White,
Clerk of Committee.

STANDING COMMITTEE ON PUBLIC ACCOUNTS

SECOND SESSION, THIRTY-SECOND PARLIAMENT

MEETING NUMBER 16

THURSDAY, NOVEMBER 4, 1982

ORDER: The Chairman, Mr. Reid (Rainy River) called the meeting to order at 10:12 a.m.

ATTENDANCE: Members of the Committee: Messrs. Bradley, Cunningham, Havrot, Kennedy, Kolyn, Philip, Reid (Rainy River), Mrs. Scrivener, Messrs. Taylor (Prince Edward-Lennox), Wildman, Yakabuski

Substitution: Mr. Reed (Halton-Burlington)

In attendance: Office of the Provincial Auditor

Mr. Douglas Archer, Provincial Auditor

Mr. Ken Leishman, Director, Reporting and Standards Branch

Legislative Research Service

Dr. James O'Mara, Research Officer

Witnesses: Mr. Richard Lundeen, Policy Co-ordinator, Fuels and Raw Materials Section, Ministry of Energy

Mr. Alan Holt, Director of Fuels, Ontario Hydro

PROCEEDINGS: The Committee considered the matter of Ontario Hydro's uranium contracts with Denison Mines and Rio Algom/Preston Mines.

The witnesses, Messrs. Holt and Lundeen answered questions from Members of the Committee.

Mr. Cunningham moved that at any meeting in which the Chairman is not in the Chair, all votes shall be postponed until the following meeting unless unanimous consent is received to proceed with the vote.

CARRIED.

Mr. Philip, seconded by Mr.Yakabuski, moved that Mr. Kolyn be Vice-Chairman of the Committee.

CARRIED.

Mr. Philip moved that the Committee re-order its priorities and forthwith conduct an enquiry into the advertising programme of the Government and report its findings to the House before Christmas in view of the Treasurer's argument that inflation and unemployment must be fought by reducing Government expenditures and in view of the over 40 million dollars spent annually by the Government on advertising.

After some time, the motion was lost on the following vote:

AYES

Bradley	Philip
Cunningham	Reed
	Wildman - 5

NAYS

Havrot	Scrivener
Kennedy	Taylor
Kolyn	Yakabuski - 6

... Cont'd

PROCEEDINGS: (Cont'd)

Mr. Wildman then moved that pursuant to section 16 of The Audit Act, the Committee request the Provincial Auditor to conduct a full review of the Hornepayne Hallmark Town Centre project and the provincial government's involvement in it, including a review of the cost-effectiveness of the provincial capital investment in the project.

After some time, it was agreed that debate on the motion would be resumed at the next committee meeting.

EXHIBITS:

The following exhibits were filed with the Committee:

Exhibit 45 Committee Research Officer, "Synopsis of Major Issues Regarding Ontario's Contracts with Denison Mines and Rio Algom/Preston Mines", September, 1982

Exhibit 46 Memorandum to Chairman from Deputy Minister of Transportation and Communications respecting implementation of "MCM" report, October 5, 1982

Exhibit 47 Office of the Provincial Auditor, "Report to the Standing Committee on Public Accounts Concerning the Electronic Data Processing in the Ministry of Health", October 25, 1982

ADJOURNMENT:

At 12:06 p.m., the Committee adjourned until 10:00 a.m., Thursday, November 18, 1982.

Graham White,
Clerk of Committee.

STANDING COMMITTEE ON PUBLIC ACCOUNTS

SECOND SESSION, THIRTY-SECOND PARLIAMENT

MEETING NUMBER 17

THURSDAY, NOVEMBER 18, 1982

ORDER: The Chairman, Mr. Reid, called the meeting to order at 10:08 a.m.

ATTENDANCE: Members of the Committee: Messrs. Bradley, Cunningham, Havrot, Kennedy, Kolyn, Philip, Reid (Rainy River), Sargent, Mrs. Scrivener, Messrs. Taylor (Prince Edward-Lennox), Yakabuski

In Attendance: Office of the Provincial Auditor

Mr. Douglas Archer, Provincial Auditor
Mr. Ken Leishman, Director, Reporting and Standards Branch

Legislative Research Service

Dr. James O'Mara, Research Officer

PROCEEDINGS: The Committee met in camera to consider its report to the House.

ADJOURNMENT: At 11:55 a.m. the Committee adjourned until 10:00 a.m. Thursday, November 25, 1982.

Graham White,
Clerk of the Committee.

STANDING COMMITTEE ON PUBLIC ACCOUNTS

SECOND SESSION, THIRTY-SECOND PARLIAMENT

MEETING NUMBER 18

THURSDAY, NOVEMBER 25, 1982

ORDER: The Chairman, Mr. Reid, called the meeting to order at 10:19 a.m.

ATTENDANCE: Members of the Committee: Messrs. Cunningham, Havrot, Kennedy, Kolyn, Philip, Reid (Rainy River), Mrs. Scrivener, Messrs. Taylor, Wildman, Yakabuski

Substitutions: Mr. O'Neil for Mr. Sargent
Mr. Eakins for Mr. Bradley

In attendance: Office of the Provincial Auditor

Mr. Douglas Archer, Provincial Auditor

Mr. Ken Leishman, Director, Reporting and Standards

Legislative Research Service

Dr. James O'Mara, Research Officer

PROCEEDINGS: Mr. Wildman moved that pursuant to section 16 of The Audit Act, the Committee request the Provincial Auditor to conduct a full review of the Hornepayne Hallmark Town Centre project and the provincial government's involvement in it, including a review of the cost-effectiveness of the provincial capital investment in the project.

After some time, Mr. Wildman withdrew his motion.

It was agreed that the Committee would interpret "early in the meeting" in the order of the House of March 12, 1982, permitting substitution on the Committee as requiring notification of substitution within 30 minutes of the start of the meeting.

On motion by Mr. Havrot, the Committee met in camera to discuss its report to the House.

EXHIBIT: The following exhibit was filed with the Committee:

Exhibit 48 Letter, dated November 18, 1982, to Provincial Auditor from Deputy Minister of Health with attached responses to the Auditor's report to the Committee on Electronic Data Processing in the Ministry of Health.

ADJOURNMENT: At 11:56 a.m., the Committee adjourned until 10:00 a.m., Thursday, December 2, 1982.

Graham White,
Clerk of Committee.

STANDING COMMITTEE ON PUBLIC ACCOUNTS

SECOND SESSION, THIRTY-SECOND PARLIAMENT

MEETING NUMBER 19

THURSDAY, DECEMBER 2, 1982

ORDER: The Chairman, Mr. Reid, called the meeting to order at 10:16 a.m.

ATTENDANCE: Members of the Committee: Messrs. Bradley, Cunningham, Havrot, Kolyn, Philip, Reid, Sargent, Mrs. Scrivener, Messrs. Taylor (Prince Edward-Lennox), Wildman, Yakabuski

Substitution: Mr. Villeneuve for Mr. Kennedy

In attendance: Office of the Provincial Auditor

Mr. Douglas Archer, Provincial Auditor

Mr. Ken Leishman, Director, Reporting and Standards Branch

Legislative Research Service

Dr. James O'Hara, Research Officer

PROCEEDINGS: The Committee met in camera to consider its report to the House.

The question was put on Mr. Philip's motion

> That this committee conduct a thorough enquiry into all facets of government advertising early in 1983 and that the committee's 1982 report contain a brief reference to this enquiry.

LOST

EXHIBITS: The following exhibits were filed with the Committee:

Exhibit 48 Letter, dated November 25, 1982 to Chairman from Deputy Minister of Health with attached chart of comparative cost analysis of ambulance services.

Exhibit 49 Memorandum, dated December 1, 1982 to Clerk from Executive Secretary, Youth Secretariat on recent developments in evaluating the Experience programme.

Exhibit 50 Letter, dated November 18, 1982, to Provincial Auditor from Deputy Minister of Health with responses to Provincial Auditor's review of Electronic Data Processing in the Ministry of Health

ADJOURNMENT: At 11:15 a.m., the Committee adjourned until 10:00 a.m., Thursday, December 9, 1982.

Graham White,
Clerk of Committee.

STANDING COMMITTEE ON PUBLIC ACCOUNTS

SECOND SESSION, THIRTY-SECOND PARLIAMENT

MEETING NUMBER 20

THURSDAY, DECEMBER 9, 1982

ORDER: The Chairman, Mr. Reid, called the meeting to order at 10:19 a.m.

ATTENDANCE: Members of the Committee: Messrs. Bradley, Cunningham, Havrot, Kennedy, Kolyn, Philip, Reid, Sargent, Mrs. Scrivener, Messrs. Taylor (Prince Edward-Lennox), Wildman, Yakabuski

In attendance: Office of the Provincial Auditor

Mr. Douglas Archer, Provincial Auditor
Mr. Ken Leishman, Director, Reporting and Standards Branch

Legislative Research Service

Dr. James O'Mara, Research Officer

PROCEEDINGS: The Committee met in camera to consider its report to the House.

Mrs. Scrivener moved

> That all Members of the Committee be permitted to append to the Committee's report any dissenting opinions they feel appropriate.

CARRIED.

It was agreed that the Committee's report include the minutes of the Committee's proceedings.

Mr. Kolyn moved

> That the Chairman be authorized to present to the House the Committee's 1982 report, as amended, and move the adoption of its recommendations.

CARRIED.

ADJOURNMENT: At 10:55 a.m., the Committee adjourned until following routine proceedings Tuesday, December 14, 1982.

Graham White,
Clerk of Committee.

ISSN 0319-9622